

Jordan School District

9361 South 300 East

Sandy, Utah 84070

(801) 567-8100

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2005

Prepared by the Office of the
Deputy Superintendent for Business Services

D. Burke Jolley

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Jordan School District

A Full Spectrum of Educational Opportunities



9361 South 300 East, Sandy, Utah 84070-2998
Phone (801) 567-8100 Fax (801) 567-8078

October 3, 2005

Members of the Board of Education Jordan School District

The Comprehensive Annual Financial Report of the Jordan School District for the fiscal year ended June 30, 2005, is submitted herewith.

The report is prepared in accordance with principles of accounting and financial reporting generally accepted in the United States of America applicable to governmental units. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. The District believes that the presentation of the report is accurate in all material respects, and that the financial position and results of operations of the various funds are presented fairly. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities are included.

Report Format

Designed to meet the needs of a broad spectrum of readers of financial statements, this Comprehensive Annual Financial Report is divided into three major sections:

1. **Introductory Section**—As the title indicates, this section introduces the reader to the report and includes this transmittal letter, the organization chart of the District with a summary of administrative responsibilities, and the Certificate of Achievement for Excellence in Financial Reporting awarded to Jordan School District by the Government Finance Officers Association.
2. **Financial Section**—This section includes the independent auditor's report, management's discussion and analysis, the basic financial statements (which includes the government-wide financial statements, the fund financial statements, and the notes to the basic financial statements), and supplementary information (the combining and individual fund statements and schedules).
3. **Statistical Section**—Although this section contains substantial financial information, these tables differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data and financial and fiscal trends, as well as the fiscal capacity of the District.

Internal Accounting Control

The District's internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

Independent Audit

As required by Utah State law, an annual audit of the financial records, books of account, and the transactions of all administrative departments of Jordan School District was made by an independent

District Administration

Barry L. Newbold, Ed.D., Superintendent of Schools
D. Burke Jolley, Deputy Superintendent for Business Services
Sherry Wasden, Deputy Superintendent for Instructional Services

Dana Bickmore, Ph.D., Executive Director of Alta K-12 Feeder System
J. Calvin Evans, Executive Director of Compliance and Special Programs
Theresa Gotay, Executive Director of Jordan K-12 Feeder System
Brenda Hales, Executive Director of Curriculum and Staff Development
R. Thomas Hicks, Executive Director of Brighton K-12 Feeder System
Moya Kessig, Executive Director of Human Resources
June LeMaster, Ph.D., Executive Director of Hillcrest K-12 Feeder System
Kerrie Naylor, Ph.D., Executive Director of Bingham K-12 Feeder System
Frank W. Shaw, Ph.D., Executive Director of Copper Hills K-12 Feeder System
Craig Stark, Executive Director of West Jordan K-12 Feeder System
David G. Stoddard, Executive Director of Riverton K-12 Feeder System
Steve Woods, Executive Director of Auxiliary Services

auditor in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States. The auditor's opinion, as prepared by Squire & Company, PC, is included within the Financial Section of this report. The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. Furthermore, the auditor's review certain elements of state legal compliance. The Single Audit and State Legal Compliance reports are issued separately.

Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditor.

Background

Jordan School District was established in 1905 and provides elementary and secondary education. The District is located approximately 12 miles south of Salt Lake City and is comprised of urban, suburban, and rural areas encompassing the towns of Alta, Bluffdale, Copperton, Cottonwood Heights, Draper, Herriman, Midvale, Riverton, Sandy, South Jordan, and West Jordan, as well as surrounding unincorporated areas of Salt Lake County.

The State of Utah has 40 school districts with Jordan being the largest. Approximately 76,000 students are enrolled in the District. For the 2004-2005 school year, the District had 86 schools—56 elementary schools, 15 middle schools, 10 high schools, 2 technical centers, and 3 special education schools. The average age of the District's 94 buildings is over 25 years.

The Reporting Entity

Jordan School District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent and is governed by a Board of Education that is comprised of seven elected board members. The Board establishes District policies, determines its own budget, levies taxes, incurs bonded debt, and is independent of any other unit of local government.

Budget Control

The District adopts an annual budget for all revenues and expenditures, which acts as the financial operating plan for the entire year. State law requires a balanced budget. Utah Code Annotated, Section 53A-19-104, states, "A local school board may not make any appropriation in excess of its estimated expendable revenue, including undistributed reserves." The level of legal budgetary control is at the overall fund level. For further details on the budget, please see the notes to the basic financial statements.

Prospects for the Future

The District is optimistic about the future. The State of Utah and Wasatch Front continue to be excellent locations to do business. Enrollment growth is continuing in the District's northwest and southwest areas with some declining enrollments in other areas. Total enrollment is expected to increase about 1,500 students next year. Notwithstanding this growth, the District may need to close schools in declining enrollment areas. The District's assessed valuation is steadily increasing as a result of residential development and increased activity in business and industry. The assessed valuation reached \$19.6 billion in 2004-05, an increase of 8.7 percent compared to 2003-2004. Most of this growth in assessed valuation is offset by a corresponding reduction in the tax rate as required by State statute. However, the District is able to benefit from the increase in assessed valuation associated with

new residential and commercial development. The new growth for 2005, 2004, and 2003 was \$686.8 million, \$890.2 million, and \$593.4 million, respectively.

The 2005 legislature increased the value of the weighted pupil unit (WPU) by 4.5 percent to \$2,280 for the 2005-06 school year. It is anticipated that the 2006 legislature will increase this appropriation by about two percent to \$2,326 for the 2006-07 school year.

Debt Administration

The District issues general obligation bonds to finance the construction and renovation of buildings, to purchase land, and equip schools. For details on the debt financing of the District, please see management's discussion and analysis and the notes to the basic financial statements.

Cash Management

The District primarily invests cash with the Utah Public Treasurers' Investment Fund that is available for use by all funds. The District's investment policies are governed by the Utah State Money Management Act (Utah Code Annotated 1953, Title 51, Chapter 7) in handling its depository and temporary investment transactions. The District has minimized the concern about uninsured or uncollateralized deposits by following the requirements of the Utah State Money Management Act. For details on what this law requires, please see the notes to the basic financial statements. In addition, the District has its own written investment policies which include making periodic reports to the Board of Education indicating fair values, maturity dates, yields, etc.

Risk Management

The District participates in the State Risk Management system. This is a pooled arrangement where participating entities pay annual premiums which are designed to pay claims and build sufficient reserves so the system will be able to protect the participating entities with its own capital. The District is self-insured for health and accident coverage provided to eligible employees. All employees are covered by the District's self-insured workers' compensation program. Unemployment compensation is handled on a cost-of-benefits reimbursement basis with the State of Utah.

Other Post-Employment Benefits

The District also provides post-retirement health benefits for eligible retirees and their dependents. As of January 2005 there were 518 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. Generally accepted accounting principles do not currently require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. Additional information on the District's retiree benefits can be found in the notes to the basic financial statements.

Major Initiatives and Events

On February 4, 2003, voters in the District approved a \$281 million bond initiative and an increase of the Voted Leeway tax rate by 0.000600. The bond initiative passed with a 70 percent approval rating and the tax increase passed with a 60 percent approval rating. The proceeds from the sale of bonds will be issued over the next several years to help finance new school construction, renovate existing schools, purchase additional school sites, and to equip schools. Bonds issued are as follows: \$10 million in May 2003, \$20 million in September 2003, and \$15 million in October 2004. The remaining \$236 million is expected to be issued over the next seven years. The increase in the Voted Leeway tax rate was to be phased in over ten years in three steps of 0.000200 to fund the operating costs of new schools. The first of these steps was implemented in the fiscal year ended June 30, 2005.

Effective June 30, 2005, the District closed two elementary schools in declining enrollment areas. Students enrolled in these schools will be transferred to nearby schools where enrollment was also

below capacity. As of June 30, 2005, the District was at varying phases of construction on six new buildings in higher enrollment areas. Four of these buildings opened for the 2005-2006 school year.

Challenges Facing the District

The District faces a major challenge with its student population. Estimated enrollment for the 2005-06 school year is 77,140. This is 1,504 more students than the District enrolled in the 2004-05 school year and represents an increase of 2.0 percent. The net increase in students does not portray the changes in growth patterns by level or administrative areas. Generally speaking, the southwest and northwest areas of the District are experiencing student enrollment growth, while the northeast and southeast areas are declining. New schools must continue to be built in high growth areas because the geographic size of the District makes long-term busing from one area to another impractical from the standpoint of both time and cost. A significant challenge to the District is to plan for building needs in growth areas while also addressing the potential need to close more schools in declining enrollment areas.

GFOA Certificate

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jordan School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2004. This was the nineteenth consecutive year that Jordan School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

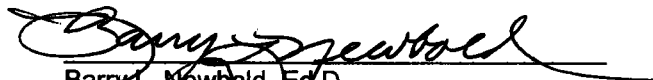
Acknowledgement

The preparation of the report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the business department. We would like to express appreciation to all of the members of the departments who assisted in the timely closing of the District's financial records and the preparation of this report.

Special appreciation is expressed to Larry W. Johnston, CPA, Director of Accounting, Budgets, and Audits; John N. Larsen, CPA, Accountant/Internal Auditor; and Jeri Clayton, Administrative Secretary, for their contribution in the preparation of this report.

We would also like to thank our Board president and other members of the Board of Education for their interest and support in conducting the financial affairs of Jordan School District for the 2004-05 fiscal year.

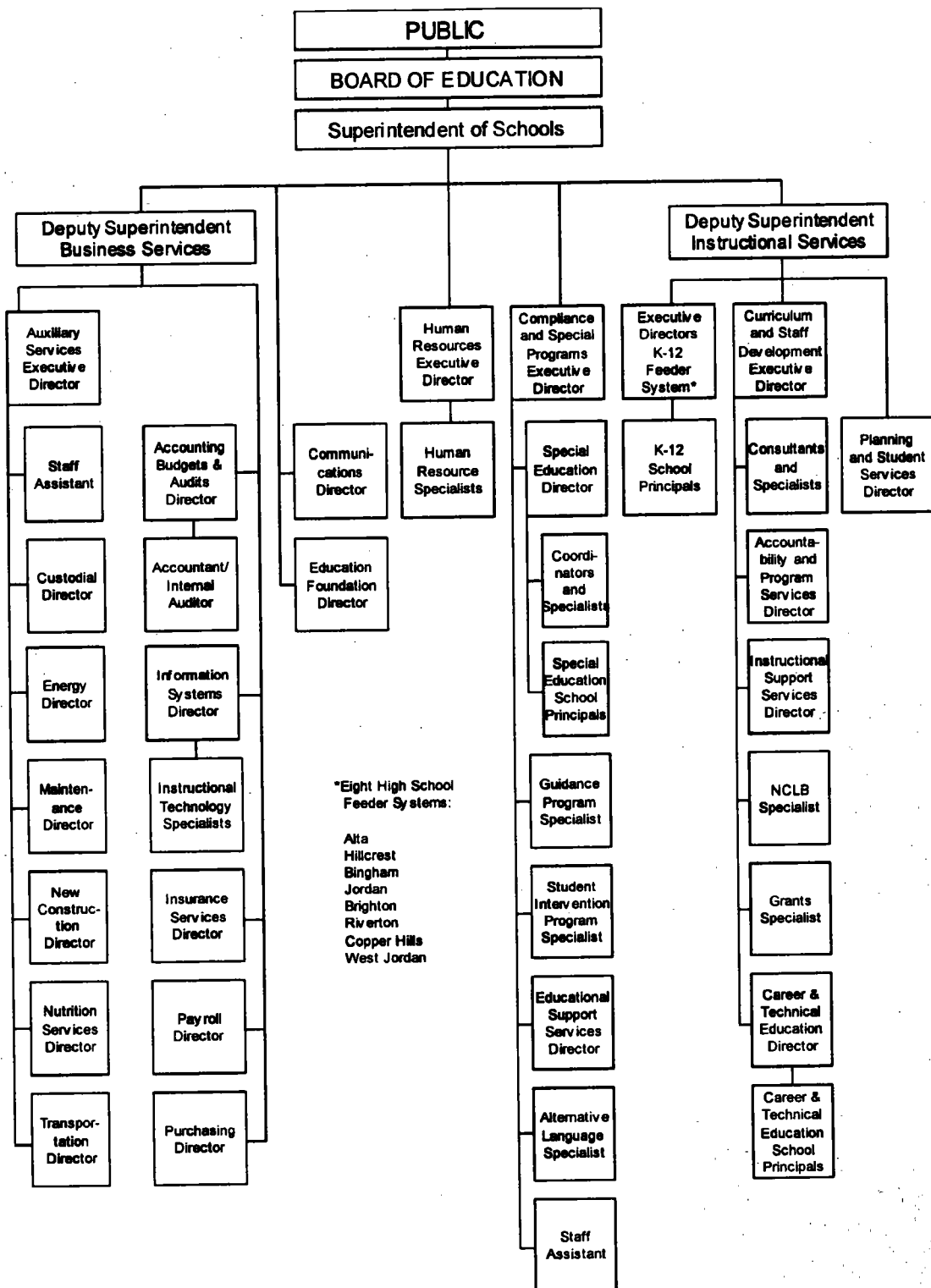
Respectfully submitted,


Barry L. Newbold, Ed.D.
Superintendent of Schools


D. Burke Jolley
Deputy Superintendent for Business Services

LINE/STAFF ORGANIZATION

2005-06



SYNOPSIS OF ADMINISTRATIVE RESPONSIBILITIES

The following information is a synopsis of the positions identified on the line/staff chart on page 5, including titles, names, and primary areas of responsibility. Board members are listed first, followed by cabinet level positions.

Board of Education

Board President Peggy Jo Kennett
Mrs. Kennett represents Precinct 1. Her term of office is 2003-2006.

Board Vice President Ellen S. Wallace
Mrs. Wallace represents Precinct 2. Her term of office is 2003-2006.

Board Member Randy S. Brinkerhoff
Mr. Brinkerhoff represents Precinct 7. His term of office is 2005-2008.

Board Member J. Dale Christensen, Ed.D.
Dr. Christensen represents Precinct 5. His term of office is 2005-2008.

Board Member Ann C. Forbush
Mrs. Forbush represents Precinct 3. Her term of office is 2003-2006.

Board Member Lynette Phillips
Ms. Phillips represents Precinct 6. Her term of office is 2003-2006.

Board Member Sherril H. Taylor
Mr. Taylor represents Precinct 4. His term of office is 2005-2008.

Cabinet

Superintendent Barry L. Newbold, Ed.D.
Originally appointed July 1, 1996. Serves as the chief executive officer for the school system and is responsible for implementation of Board policies and all administrative procedures.

Deputy Superintendent – Business Services D. Burke Jolley
Originally appointed July 1, 1998. Manages all activities related to finances, school board meetings, elections, tax assessments, and other general business matters.

Deputy Superintendent – Instructional Services Sherry Wasden
Provides support for the Office of the Superintendent. Administers all areas of instructional support, supervises needs assessment, goal setting, program evaluation, and long-range planning.

Executive Director – Auxiliary Services K. Steven Woods
Administers maintenance services related to keeping schools, offices, and other buildings open, comfortable, and safe for use. Administers operation of the following departments: Energy, New Construction, Maintenance, Custodial, Transportation, and Nutrition Services.

Executive Director – Compliance and Special Programs J. Calvin Evans
Ensures the District's compliance with federal and state rules and regulations and provides administrative support for Special Education and other special programs.

JORDAN SCHOOL DISTRICT

Executive Director – Curriculum and Staff Development..... Brenda L. Hales

Administers instructional and educational support services including the development, preparation, and presentation of special curriculum materials and providing assistance to teachers in the instructional process. Administers services related to instructional support, alternative language programs, career technology, and federal program administration.

Executive Director – Human Resources.....Moya Kessig

Administers personnel, including hiring staff, implementing personnel policies, negotiating contracts, and maintaining personnel records.

Executive Directors – K-12 Feeder Systems

Alta..... Dana L. Bickmore, Ph.D.

Bingham..... Kerrie Naylor, Ph.D.

Brighton..... Thomas R. Hicks

Copper Hills..... Frank Shaw Ph.D.

Hillcrest.....June LeMaster, Ph.D.

Jordan..... Theresa Gotay

Riverton.....David G. Stoddard

West Jordan.....Craig R. Stark

Supervises improvement of instruction and directs and manages activities related to education in all schools for students in grades kindergarten through twelve.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jordan School District,
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director



Independent Auditor's Report

Board of Education
Jordan School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jordan School District (District) as of and for the year ended June 30, 2005, and the proprietary fund financial statements of the District as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 2005 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the 2004 proprietary fund financial statements referred to above present fairly, in all material respects, the financial position of the proprietary funds of the District as of June 30, 2004, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2005 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis, which follows this report, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Agui & Company, PC

September 14, 2005

Management's Discussion and Analysis

As management of the Jordan School District (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 4 of this report.

Financial Highlights

- On October 19, 2004, the District issued \$15.0 million of general obligation school building bonds. The building bonds are to help finance the building or renovation of schools, the purchase of building sites, and to equip schools. The bonds are scheduled to be repaid over the next 15 years and bear interest from 3.0 to 4.0 percent.
- During this past fiscal year, the District started construction on three elementary schools, continued construction on two middle schools and one special school, and completed construction on three elementary schools. Total additions to capital assets (sites, improvements, buildings, equipment, and vehicles) were \$82.8 million for the year.
- The Board of Education voted unanimously on August 31, 2004, to implement the state's K-3 Reading program by enacting the newly Legislated K-3 Reading property tax of 0.000121 and to increase the Voted Leeway property tax by 0.000200 in the first of three such voter approved tax increases. The K-3 Reading property tax was implemented in order to receive matching funds from the state and the Voted Leeway property tax was increased to help offset the ongoing operating costs of new schools.
- The District's total net assets increased by \$70.3 million. This increase was due to a \$52.5 million net increase in capital assets net of depreciation, a \$8.8 million net decrease in bonds payable, and an \$13.5 million increase in unrestricted net assets, mostly due to the positive variances of expenditures in the general fund. These increases were offset by a \$4.5 million decrease in restricted net assets (mostly in capital projects).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 20 through 21 of this report.

Fund financial statements – A *fund* is a group of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Individual fund data for the debt service fund and the capital projects fund is provided in the form of *individual fund schedules* found on pages 49 through 50 of this report. Data from the other three governmental funds (the special revenue funds) are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining and individual fund statements and schedules* found on pages 43 through 47 of this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement is provided, on page 26, for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22 through 26 of this report.

Proprietary funds – The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses one internal service fund (the self-insurance fund) to account for employee health and accident benefit services provided to all the other funds of the District. This internal service fund is included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 27 through 29 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses an agency fund (the student activities fund) to account for resources held for student activities and groups.

Individual fund data for the agency fund is provided in the form of an *individual fund statement* on pages 54 through 56 of this report. The basic fiduciary fund financial statement can be found on page 30 of this report.

Notes to the basic financial statements – The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 through 41 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$600.7 million at the close of the most recent fiscal year.

Jordan School District's Net Assets June 30, 2005 and 2004

	Governmental activities		Increase (decrease) from fiscal 2004
	2005	2004	
Current and other assets	\$ 387,434,046	\$ 362,288,329	\$ 25,145,717
Capital assets	629,698,460	577,206,249	52,492,211
Total assets	1,017,132,506	939,494,578	77,637,928
Other liabilities	235,665,350	219,505,546	16,159,804
Long-term liabilities outstanding	180,782,200	189,638,935	(8,856,735)
Total liabilities	416,447,550	409,144,481	7,303,069
Net assets:			
Invested in capital assets, net of related debt	458,415,301	397,102,894	61,312,407
Restricted	68,217,842	72,719,788	(4,501,946)
Unrestricted	74,051,813	60,527,415	13,524,398
Total net assets	\$ 600,684,956	\$ 530,350,097	\$ 70,334,859

The largest portion of the District's net assets (76 percent) reflects its investment in capital assets (e.g., sites, site improvements, buildings, equipment, and vehicles, net of accumulated depreciation), less any related debt (general obligation bonds payable less unspent bond proceeds) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (12 percent) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects. The remaining balance of the District's net assets is unrestricted net assets (12 percent). Unrestricted net assets may be used to meet the District's ongoing obligations to students, employees, creditors, and to honor next year's budget.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets, both for the District as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

Restricted net assets decreased by \$4.5 million during the year ended June 30, 2005. This decrease is largely the result of ongoing construction projects whose costs exceeded capital project revenues.

Unrestricted net assets increased by \$13.5 million during the current fiscal year. This increase is mostly due to the results of operations in the general fund providing significant positive variances in most of the expenditure functions, especially the instruction function.

**Jordan School District's Changes in Net Assets
Years Ended June 30, 2005 and 2004**

	Governmental activities		Increase (decrease) from fiscal 2004
	2005	2004	
Revenues:			
Program revenues:			
Charges for services	\$ 15,782,401	\$ 14,775,363	\$ 1,007,038
Operating grants and contributions	96,484,167	85,934,431	10,549,736
Capital grants and contributions	2,185,372	540,521	1,644,851
General revenues:			
Property taxes	168,883,000	148,271,137	20,611,863
Federal and state revenue not restricted to specific purposes	184,408,604	176,269,769	8,138,835
Interest	5,680,033	3,107,350	2,572,683
Miscellaneous	5,657,325	4,181,194	1,476,131
Total revenues	<u>479,080,902</u>	<u>433,079,765</u>	<u>46,001,137</u>
Expenses:			
Instruction	260,246,692	243,096,790	17,149,902
Supporting services:			
Students	10,966,878	10,981,739	(14,861)
Instructional staff	20,729,394	20,057,254	672,140
General district administration	3,400,182	3,156,224	243,958
School administration	24,631,791	23,610,070	1,021,721
Accounting and purchasing	3,323,189	3,162,076	161,113
Operation and maintenance of school buildings	37,139,774	36,056,243	1,083,531
Student transportation	12,820,032	12,238,303	581,729
Personnel, planning, and data processing	5,637,806	5,007,521	630,285
Other	163,750	160,614	3,136
Nutrition services	21,207,773	20,301,660	906,113
Interest on long-term liabilities	8,478,782	8,695,929	(217,147)
Total expenses	<u>408,746,043</u>	<u>386,524,423</u>	<u>22,221,620</u>
Increase in net assets	<u>70,334,859</u>	<u>46,555,342</u>	<u>23,779,517</u>
Net assets - beginning	<u>530,350,097</u>	<u>483,794,755</u>	<u>46,555,342</u>
Net assets - ending	<u>\$ 600,684,956</u>	<u>\$ 530,350,097</u>	<u>\$ 70,334,859</u>

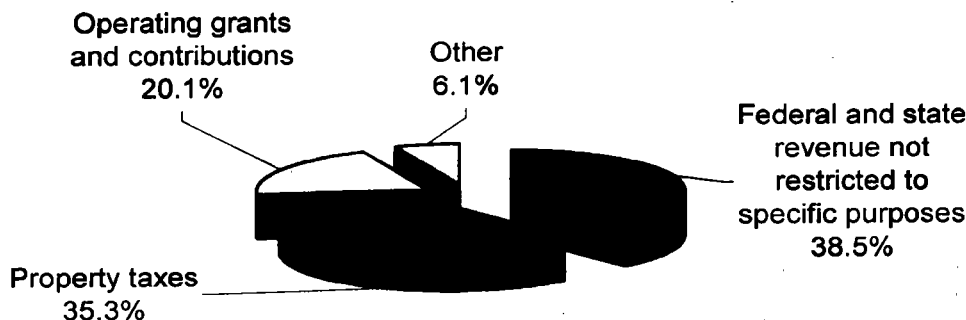
Governmental activities – The key elements of the increase of the District's net assets for the year ended June 30, 2005, are as follows:

- The largest dollar increase in revenues came from local property taxes. This is due to increased taxable property within the District's boundaries and increased tax rates. On August 31, 2004, the

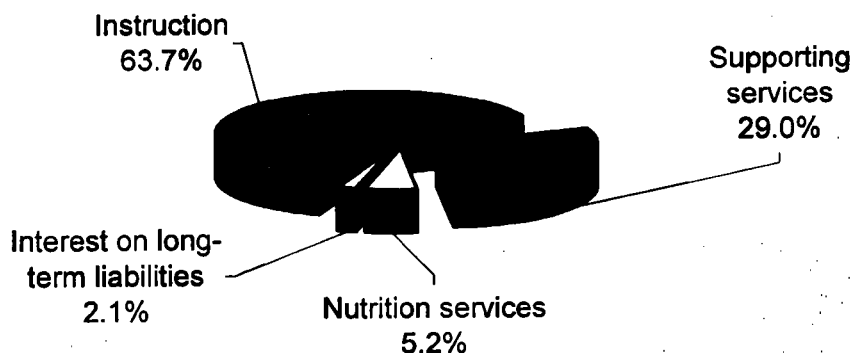
Board of Education voted unanimously to implement the state's K-3 Reading program by enacting the newly legislated K-3 Reading property tax rate of 0.000121. By doing this, the District became eligible to receive state matching funds for this program. The Board also increased the Voted Leeway property tax by 0.000200 in the first of three such voter approved tax increases. This increase was approved to help cover the operating costs of the newly constructed schools and those currently under construction. The District also received increased funding from State and Federal sources in the form of grants and general revenues.

- Expenses generally increased over the prior year. This is mostly due to increases associated with salaries, insurance costs, student growth, number of personnel, building maintenance, student transportation, and technology costs.

**Jordan School District
Revenues by Source - Governmental Activities
Year Ended June 30, 2005**



**Jordan School District
Expenses by Function - Governmental Activities
Year Ended June 30, 2005**



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. At June 30, 2005, the District's governmental funds reported a combined fund balance of \$146.2 million, \$12.1 million higher than the previous year. Included in this year's change in the combined fund balance is a decrease of \$4.1 million in funds restricted for capital projects, and an increase of \$16.2 million in the general fund due to positive budget variances. In addition, the following changes in revenues and expenditures should be noted:

- Property tax revenues increased by \$20.2 million or 13.6 percent, due to an increase in taxable property within the District and the increase in property tax rates described earlier.
- State aid increased by \$14.6 million or 6.2 percent, primarily as a result of increased state funding of Regular Basic K-12 and the Social Security/Retirement programs.
- Expenditures for the general fund totaled \$346.9 million, an increase of 7.4 percent during the current fiscal year. Instruction represents 67.4 percent of general fund expenditures.
- General fund salaries totaled \$211.3 million while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance added \$88.6 million to arrive at 86.4 percent of total general fund expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion. At June 30, 2005, the District's combined governmental fund balance is \$146.2 million (\$61.7 million in reserved fund balance, \$56.0 million in designated fund balance, and \$28.5 million in undesignated, unreserved fund balance).

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$13.0 million or 3.6 percent in total general fund expenditures. The most significant difference is the increase in instruction due to increased budgets in instructional supplies and equipment.

Final budgeted revenues exceeded original budgetary estimates by \$20.5 million or 6.0 percent, to account for anticipated increases in federal and state revenue due to expenditure-driven grants.

With these adjustments, actual expenditures were \$30.3 million below final budgeted amounts. The most significant positive variances were \$19.4 million in instruction and \$7.4 million in supporting services-instructional staff. Actual revenues were \$16.1 million below final budgeted amounts. Variances primarily result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the

succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

Designations of fund balance are also budgeted each year. The two largest designations are undistributed reserve and retiree benefits. Under Utah State law, school districts are allowed to designate up to five percent of the general fund's budgeted expenditures for contingencies and emergencies. The law calls this designation the undistributed reserve. For the first time in the District's 100 year history, the District has designated a full five percent of the current year's actual expenditures for undistributed reserve. The District has also designated an amount to help cover the cost of benefits promised to current and future retirees. Details of these benefits are in the notes to the basic financial statements. Estimates of inflationary adjustments and the funding requirements for current employees' future retiree benefits have not been made.

Capital Asset and Debt Administration

Capital assets – The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The District has six new schools under construction, and one school undergoing major renovation, with an anticipated total cost of \$90.5 million. Total additions to capital assets (sites, improvements, buildings, equipment, and vehicles) were \$82.8 million for the year.

Capital assets are outlined below:

Jordan School District's Capital Assets (Net of accumulated depreciation) June 30, 2005 and 2004

	Governmental activities		
	2005	2004	Change
Sites and improvements	\$ 60,434,042	\$ 56,062,006	\$ 4,372,036
Construction in progress	58,313,539	30,995,209	27,318,330
Buildings and improvements	458,848,921	438,610,313	20,238,608
Furniture and equipment	42,082,020	41,976,429	105,591
Vehicles	10,019,938	9,562,292	457,646
Total capital assets	<u>\$ 629,698,460</u>	<u>\$ 577,206,249</u>	<u>\$ 52,492,211</u>

Additional information on the District's capital assets can be found in Note 3 to the basic financial statements.

Debt administration – On February 4, 2003, a bond election was held and \$281 million in general obligation school building bonds was authorized; 70 percent of votes cast were in favor of the issuance of bonds. The bonds are to finance the building and renovation of schools, the purchase of building sites, and to equip schools. The District issued \$10 million of bonds dated May 15, 2003, with interest rates from 2.00 to 4.00 percent and a maturity date of June 15, 2017. The District issued \$20 million of bonds dated September 15, 2003, with interest rates from 2.50 to 4.20 percent and a maturity date of June 15, 2018. The District issued \$15 million of bonds dated October 1, 2004, with interest rates from 3.00 to 4.00 percent and a maturity date of June 15, 2019. Fitch Ratings and Moody's Investment Service have given these bonds an underlying rating of 'AAA' and 'Aa1,' respectively.

The general obligation bonded debt of the District is limited by state law to four percent of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2005, is \$1,155.7 million. Net bonds payable at June 30, 2005, is \$171.3 million, resulting in a legal debt margin of \$984.4 million.

**Jordan School District's Outstanding General Obligation Debt
June 30, 2005 and 2004**

	Governmental activities		
	2005	2004	Change
General obligation bonds	\$ 172,775,000	\$ 181,965,000	\$ (9,190,000)
Deferred amounts	(1,491,841)	(1,861,645)	369,804
Net bonds payable	<u>\$ 171,283,159</u>	<u>\$ 180,103,355</u>	<u>\$ (8,820,196)</u>

Additional information on the District's long-term debt can be found in Note 4 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of Jordan School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Deputy Superintendent for Business Services, Jordan School District, 9361 South 300 East, Sandy Utah 84070-2998.

Basic Financial Statements

JORDAN SCHOOL DISTRICT

Statement of Net Assets

June 30, 2005

	Governmental Activities
Assets:	
Cash and investments	\$ 196,833,400
Accounts receivable:	
Property taxes	178,616,221
Other local	81,918
State of Utah	1,013,303
Federal government	6,622,913
Inventories	3,168,876
Bond issuance costs, net of accumulated amortization	1,097,415
Capital assets:	
Sites and construction in progress	99,715,199
Other capital assets, net of accumulated depreciation	529,983,261
Total assets	1,017,132,506
Liabilities:	
Accounts payable	21,701,652
Accrued payroll and related benefits	24,068,458
Accrued interest	302,020
Deferred revenue:	
Property taxes	173,588,605
Other local	593,551
State of Utah	15,268,850
Federal government	142,214
Noncurrent liabilities:	
Due within one year	31,261,196
Due in more than one year	149,521,004
Total liabilities	416,447,550
Net Assets:	
Invested in capital assets, net of related debt	458,415,301
Restricted for:	
Nutrition services	4,977,899
Non K-12 programs	3,389,157
Jordan Education Foundation	802,277
Capital projects	56,302,977
Debt service	2,745,532
Unrestricted	74,051,813
Total net assets	\$ 600,684,956

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT**Statement of Activities
Year Ended June 30, 2005**

Activities and Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 260,246,692	\$ 3,669,792	\$ 72,296,268	\$ 2,185,372	\$ (182,095,260)
Supporting services:					
Students	10,966,878	17,004	1,467,016	-	(9,482,858)
Instructional staff	20,729,394	758,387	4,500,879	-	(15,470,128)
General district administration	3,400,182	-	179,846	-	(3,220,336)
School administration	24,631,791	18,629	1,314,040	-	(23,299,122)
Accounting and purchasing	3,323,189	-	-	-	(3,323,189)
Operation and maintenance of school buildings	37,139,774	2,859	18,849	-	(37,118,066)
Student transportation	12,820,032	540,434	7,509,180	-	(4,770,418)
Personnel, planning, and data processing	5,637,806	8,377	39,478	-	(5,589,951)
Other	163,750	-	-	-	(163,750)
Nutrition services	21,207,773	10,766,919	9,158,611	-	(1,282,243)
Interest on long-term liabilities	8,478,782	-	-	-	(8,478,782)
Total school district	\$ 408,746,043	\$ 15,782,401	\$ 96,484,167	\$ 2,185,372	(294,294,103)
General revenues:					
Property taxes levied for:					
Basic					34,325,814
Voted leeway					22,883,875
Board leeway					7,627,958
K-3 reading					2,307,457
Tort					953,495
Transportation					3,051,183
Recreation					2,383,737
Debt service					30,511,834
Capital outlay					45,767,751
Ten percent of basic					19,069,896
Federal and state revenue not restricted to specific purposes					184,408,604
Interest					5,680,033
Miscellaneous					5,657,325
Total general revenues					364,628,962
Change in net assets					70,334,859
Net assets - beginning					530,350,097
Net assets - ending					\$ 600,684,956

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT**Balance Sheet
Governmental Funds
June 30, 2005**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 111,919,621	\$ 2,119,861	\$ 60,368,583	\$ 8,557,255	\$ 182,965,320
Accounts receivable:					
Property taxes	73,766,165	35,154,062	67,225,150	2,470,844	178,616,221
Other local	81,918	-	-	-	81,918
State of Utah	372,008	-	-	641,295	1,013,303
Federal government	5,779,146	-	-	843,767	6,622,913
Inventories	2,299,303	-	-	869,573	3,168,876
Total assets	\$ 194,218,161	\$ 37,273,923	\$ 127,593,733	\$ 13,382,734	\$ 372,468,551
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 2,916,334	\$ -	\$ 5,988,717	\$ 99,367	\$ 9,004,418
Accrued payroll and related benefits	24,068,458	-	-	-	24,068,458
Deferred revenue:					
Property taxes	73,184,754	34,880,510	66,692,084	2,451,915	177,209,263
Other local	297,531	-	-	296,020	593,551
State of Utah	13,851,646	-	-	1,417,204	15,268,850
Federal government	142,214	-	-	-	142,214
Total liabilities	114,460,937	34,880,510	72,680,801	4,264,506	226,286,754
Fund Balances:					
Reserved for:					
Debt service	-	2,393,413	-	-	2,393,413
Capital projects	-	-	18,542,690	-	18,542,690
Encumbrances	1,177,566	-	36,370,242	8,180	37,555,988
Inventories	2,299,303	-	-	869,573	3,168,876
Unreserved:					
Designated for:					
General fund:					
Undistributed reserve	17,350,000	-	-	-	17,350,000
Vocational construction	670,814	-	-	-	670,814
Programs	8,142,382	-	-	-	8,142,382
Compensated absences	2,082,980	-	-	-	2,082,980
Retiree benefits	27,000,000	-	-	-	27,000,000
Special revenue funds:					
Schools	-	-	-	691,180	691,180
Programs	-	-	-	60,576	60,576
Undesignated, reported in:					
General fund	21,034,179	-	-	-	21,034,179
Special revenue funds	-	-	-	7,488,719	7,488,719
Total fund balances	79,757,224	2,393,413	54,912,932	9,118,228	146,181,797
Total liabilities and fund balances	\$ 194,218,161	\$ 37,273,923	\$ 127,593,733	\$ 13,382,734	\$ 372,468,551

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2005

Total fund balance - governmental funds	\$ 146,181,797
Total net assets reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$886,092,319 and the accumulated depreciation is \$256,393,859 (see Note 3).	629,698,460
Property tax revenue is recognized when levied (claim to resources established) rather than when "available." The portion not available soon enough to pay for the current period's expenditures is deferred in the funds.	3,620,658
Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$1,396,843 and accumulated amortization is \$299,428.	1,097,415
An internal service fund is used by the District's management to charge the costs of health and life insurance benefits to individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	1,170,846
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(302,020)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds (see Note 4).	(180,782,200)
Total net assets - governmental activities	<u>\$ 600,684,956</u>

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2005

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Revenues:					
Property taxes	\$ 71,302,163	\$ 30,822,561	\$ 65,009,276	\$ 2,383,273	\$ 169,517,273
Interest	3,659,243	313,579	1,067,789	242,470	5,283,081
School lunch sales	-	-	-	10,766,919	10,766,919
Other local sources	10,192,665	-	1,373,898	1,379,470	12,946,033
State of Utah	242,919,490	-	465,074	7,017,828	250,402,392
Federal government	21,048,477	-	350,000	9,906,976	31,305,453
Total revenues	349,122,038	31,136,140	68,266,037	31,696,936	480,221,151
Expenditures:					
Current:					
Instruction	233,666,743	-	-	-	233,666,743
Supporting services:					
Students	10,608,256	-	-	328,219	10,936,475
Instructional staff	21,832,050	-	-	-	21,832,050
General district administration	2,465,806	-	-	-	2,465,806
School administration	23,634,429	-	-	-	23,634,429
Accounting and purchasing	3,303,665	-	-	-	3,303,665
Operation and maintenance of school buildings	34,663,679	-	-	-	34,663,679
Student transportation	10,952,255	-	-	-	10,952,255
Personnel, planning, and data processing	5,629,889	-	-	-	5,629,889
Other	164,275	-	-	-	164,275
Nutrition services	-	-	-	20,782,630	20,782,630
Non K-12 programs	-	-	-	9,184,521	9,184,521
Capital outlay	-	-	75,722,756	-	75,722,756
Debt service:					
Bond principal	-	24,190,000	-	-	24,190,000
Bond issuance cost	-	-	164,959	-	164,959
Bond interest and fees	-	8,371,626	-	-	8,371,626
Total expenditures	346,921,047	32,561,626	75,887,715	30,295,370	485,665,758
Excess (deficiency) of revenues over (under) expenditures	2,200,991	(1,425,486)	(7,621,678)	1,401,566	(5,444,607)
Other financing sources (uses):					
Transfers	13,974,068	-	(13,974,068)	-	-
School building bonds issued	-	-	15,000,000	-	15,000,000
Bond premium	-	-	235,329	-	235,329
Sale of capital assets	-	-	2,303,282	-	2,303,282
Total other financing sources (uses)	13,974,068	-	3,564,543	-	17,538,611
Net change in fund balances	16,175,059	(1,425,486)	(4,057,135)	1,401,566	12,094,004
Fund balances - beginning	63,582,165	3,818,899	58,970,067	7,716,662	134,087,793
Fund balances - ending	\$ 79,757,224	\$ 2,393,413	\$ 54,912,932	\$ 9,118,228	\$ 146,181,797

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2005

Net change in fund balances-total governmental funds

\$ 12,094,004

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and related items in the current period.

Capital outlays	\$ 82,845,202	
Loss on disposal of capital assets	(440,574)	
Gain on sale of capital assets	1,601,743	
Proceeds from sales of capital assets	(2,303,282)	
Depreciation expense	<u>(29,210,878)</u>	52,492,211

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Bonds issued	(15,000,000)	
Bond premium	(235,329)	
Bond issuance costs	164,959	
Repayment of bond principal	24,190,000	
Bond interest expense	27,319	
Amortization of deferred amounts on refunding	(634,703)	
Amortization of bond issuance costs	(111,197)	
Amortization of bond premium	<u>500,228</u>	8,901,277

Property taxes that are not collected for several months after the District's fiscal year end are not considered as available revenues in the governmental funds and are, instead, counted as deferred revenues. They are however, recorded as revenues in the statement of activities.

(634,273)

In the statement of activities, certain operating expenses -- compensated absences (vacations) and special termination benefits (early retirement) -- are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, accrued vacation increased by \$124,047 and early retirement payable decreased by \$160,586.

36,539

An internal service fund is used by the District to charge the costs of health and life insurance benefits to individual funds. The net loss of the internal service fund is reported with governmental activities.

(2,554,899)

Change in net assets of governmental activities

\$ 70,334,859

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
 Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 68,359,200	\$ 69,023,500	\$ 71,302,163	\$ 2,278,663
Interest	2,227,000	2,887,000	3,659,243	772,243
Other local revenue	9,098,962	9,499,005	10,192,665	693,660
State of Utah	243,701,550	256,492,364	242,919,490	(13,572,874)
Federal government	21,298,593	27,322,186	21,048,477	(6,273,709)
Total revenues	344,685,305	365,224,055	349,122,038	(16,102,017)
Expenditures:				
Current:				
Instruction	244,866,954	253,072,379	233,666,743	19,405,636
Supporting services:				
Students	11,205,036	11,159,977	10,608,256	551,721
Instructional staff	24,664,871	29,232,585	21,832,050	7,400,535
General district administration	1,939,102	2,585,130	2,465,806	119,324
School administration	23,597,677	23,659,578	23,634,429	25,149
Accounting and purchasing	3,401,322	3,341,185	3,303,665	37,520
Operation and maintenance of school buildings	36,709,487	36,232,765	34,663,679	1,569,086
Student transportation	10,935,631	11,039,747	10,952,255	87,492
Personnel, planning, and data processing	6,660,656	6,680,300	5,629,889	1,050,411
Other	167,476	167,918	164,275	3,643
Total expenditures	364,148,212	377,171,564	346,921,047	30,250,517
Excess (deficiency) of revenues over (under) expenditures	(19,462,907)	(11,947,509)	2,200,991	14,148,500
Other financing sources (uses):				
Transfer	18,200,000	13,500,000	13,974,068	474,068
Net change in fund balances	(1,262,907)	1,552,491	16,175,059	14,622,568
Fund balances - beginning	52,727,966	63,582,165	63,582,165	-
Fund balances - ending	<u>\$ 51,465,059</u>	<u>\$ 65,134,656</u>	<u>\$ 79,757,224</u>	<u>\$ 14,622,568</u>

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT

Statements of Fund Net Assets

Proprietary Fund

June 30, 2005 and 2004

	Governmental Activities - Internal Service Fund Self-insurance	
	2005	2004
Assets:		
Current assets:		
Cash and investments	<u>\$ 13,868,080</u>	<u>\$ 13,993,774</u>
Liabilities:		
Current liabilities:		
Accounts payable	11,427	35,643
Accrued medical claims	<u>12,685,807</u>	<u>10,232,386</u>
Total liabilities	<u>12,697,234</u>	<u>10,268,029</u>
Net assets:		
Unrestricted	<u><u>\$ 1,170,846</u></u>	<u><u>\$ 3,725,745</u></u>

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT**Statements of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Years Ended June 30, 2005 and 2004**

	Governmental Activities - Internal Service Fund	
	Self-insurance	
	2005	2004
Operating revenues:		
Insurance premiums	<u>\$ 43,320,754</u>	<u>\$ 38,016,667</u>
Operating expenses:		
Medical claims	30,563,081	25,946,014
Prescription claims	11,579,453	9,677,210
Insurance premiums	2,128,475	2,157,325
Administration and other	2,001,596	1,577,530
Total operating expenses	<u>46,272,605</u>	<u>39,358,079</u>
Operating income (loss)	(2,951,851)	(1,341,412)
Nonoperating income:		
Interest	<u>396,952</u>	<u>198,189</u>
Net income (loss)	(2,554,899)	(1,143,223)
Net assets - beginning	<u>3,725,745</u>	<u>4,868,968</u>
Net assets - ending	<u>\$ 1,170,846</u>	<u>\$ 3,725,745</u>

The notes to the financial statements are an integral part of these statements.

JORDAN SCHOOL DISTRICT

Statements of Fund Cash Flows Proprietary Fund Years Ended June 30, 2005 and 2004

	Governmental Activities - Internal Service Fund Self-Insurance	
	2005	2004
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 43,320,754	\$ 38,016,667
Payments to suppliers	(2,025,812)	(1,546,481)
Payments for medical fees and insurance claims	(41,817,588)	(37,353,094)
Net cash used by operating activities	(522,646)	(882,908)
Cash flows from investing activities:		
Interest received	396,952	198,189
Net decrease in cash and cash equivalents	(125,694)	(684,719)
Cash and cash equivalents - beginning	13,993,774	14,678,493
Cash and cash equivalents - ending	\$ 13,868,080	\$ 13,993,774
(Displayed on statements of fund net assets as <i>Cash and investments</i>)		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating loss	\$ (2,951,851)	\$ (1,341,412)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Increase (decrease) in accounts payable	(24,216)	31,049
Increase in accrued medical claims	2,453,421	427,455
Total adjustments	2,429,205	458,504
Net cash used by operating activities	\$ (522,646)	\$ (882,908)
Noncash investing, capital, and financing activities:	none	none

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT

Statement of Fiduciary Fund Net Assets
Agency Fund
June 30, 2005

	<u>Student Activities Fund</u>
Assets:	
Cash and investments	<u>\$ 7,634,551</u>
Liabilities:	
Due to student organizations	<u>\$ 7,634,551</u>

The notes to the financial statements are an integral part of this statement.

JORDAN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Jordan School District (the District) are in conformity with accounting principles generally accepted in the United States of America applicable to local governmental units in general and Utah school districts in particular. The following is a summary of the more significant policies.

The Reporting Entity – The District was established in 1905 and provides elementary and secondary education in southern Salt Lake County, Utah. The Board of Education, comprised of seven elected officials, is the primary governing authority for the District. The Board establishes District policies, approves the budget, appoints a superintendent with responsibilities for administering all educational activities of the District, and appoints a business administrator with responsibilities for fiscal matters. The Board is authorized to issue bonds, incur short-term debt, levy property taxes, and is independent of any other unit of local government.

These basic financial statements present the activities of the District and its component unit, the *Jordan Education Foundation*, for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. Although a legally separate entity, a blended component unit is, in substance, part of the District's operations.

- **Blended Component Unit** – The *Jordan Education Foundation* is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible contributions to the District. The Foundation's board is approved by the Board of Education. The Foundation exclusively serves the District. The Foundation is presented as a special revenue fund of the District.

Government-wide Financial Statements – The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the District and the Foundation. As a general rule the effect of interfund activity is eliminated from the government-wide financial statements.

The statement of activities presents the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expense allocations made in the funds are reversed for the statement of activities. Depreciation expense for capital assets specifically identified with a function is included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of the building, and nutrition services) is ratably included in the direct expenses of the appropriate functions. Interest on long-term liabilities is considered an indirect expense and is presented as a separate line. Program revenues include: a) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and b) grants and contributions that are restricted to meeting the operating or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the District's funds, including its fiduciary fund and blended component unit. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as insurance premiums, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as interest, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal services.

JORDAN SCHOOL DISTRICT

The District reports the following major governmental funds:

- **General Fund** – The General Fund, is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- **Debt Service Fund** – The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on general obligation bonds payable.
- **Capital Projects Fund** – The Capital Projects Fund accounts for the resources accumulated and payments made for the acquisition of capital assets and construction of major capital projects.

Additionally, the District reports the following fund types:

- **Internal Service Fund** – The *Self-Insurance Fund* (a proprietary fund) is the only internal service fund used by the District and accounts for the activities associated with the District's self-insurance plan covering employee health and accident claims. Premiums are charged to the District's other funds to cover anticipated costs.
- **Agency Fund** – The *Student Activities Fund* (a fiduciary fund) accounts for the receipt and disbursement of monies held on behalf of student activity organizations.

Measurement Focus and Basis of Accounting – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and agency fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements are satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District's policy is to consider revenue available if it is expected to be collected within sixty days following the close of the fiscal year, or within thirty days of the fiscal year-end in the case of property tax revenue. Property taxes and interest are considered to be susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; grants received in advance are recorded as deferred revenue until earned. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, early retirement and post-employment health care benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term liabilities and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

Budgets and Budgetary Accounting – The District operates within budget requirements for school districts as specified by state law and as interpreted by the State Superintendent of Public Instruction. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America using the modified accrual basis of accounting for all governmental funds, excluding the *Jordan Education Foundation* (special revenue fund), and on the accrual method for the *Self-Insurance Fund* (internal service fund). The budget for the *Self-Insurance Fund* is not legally required for budgetary control; this budget is for management purposes. Budgets are not adopted on a District level for the *Jordan Education Foundation* (special revenue fund) and the *Student Activities Fund* (agency fund). All annual appropriations lapse at fiscal year-end. These financial reports reflect the budgetary standards on the next page:

JORDAN SCHOOL DISTRICT

- For the fiscal year beginning July 1, the business administrator prepares a proposed budget for all funds which is presented to the Board of Education by the superintendent on or before June 1.
- After a public hearing is held, the Board of Education, by resolution, legally adopts the final budget no later than June 22.
- Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the superintendent; however, increases in appropriations at the overall fund level require a public hearing prior to amending the budget. In accordance with Utah State law and with Board policy, administration may make interim adjustments from one appropriation (at the program, function, or object level) to another within any given fund without seeking the immediate approval of the Board. The Board approves these changes later in the year.
- The total budgeted expenditures of a given fund may not exceed the expected revenues for the fiscal year plus the fund balance. Control of the budget is exercised at the overall fund level.
- Interim adjustments in estimated revenue and appropriations during the year ended June 30, 2005 are included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrances – Encumbrance accounting, under which purchase orders for goods and services are recorded in order to restrict that portion of the applicable appropriation, is used to facilitate comparisons with budgets. Outstanding encumbrances lapse at year-end and are reported as reserved fund balances because they do not constitute expenditures or liabilities. The District intends to honor these commitments and provides for the expenditure in the subsequent year.

Deposits and investments – The cash balances of substantially all funds are pooled and invested by the District. Deposits and investments are reported at fair value. Earnings on pooled funds are allocated to the funds based on the average balance of each participating fund.

Inventories – Inventories are accounted for under the consumption method, wherein inventories are recorded as assets when acquired and expenditures are recorded when the inventories are transferred to the schools for consumption. Inventories recorded in the governmental funds are stated at cost or, if donated, at fair value when received, using a weighted moving average method. Inventories reported in the governmental funds are equally offset by a reservation of fund balance, indicating that they do not constitute "available spendable resources" even though they are a component of total assets.

Capital Assets – All purchased or constructed capital assets costing more than \$2,000 or which meet other criteria are capitalized and reported at cost or estimated historical cost in the government-wide financial statements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value at the date of donation. Interest incurred during the construction of capital assets is not capitalized. The District does not purchase nor construct infrastructure (public domain) assets. Capital assets are recorded as expenditures in the governmental fund financial statements at the time of purchase or construction. Depreciation is provided on capital assets using the straight-line method over their estimated useful lives as follows:

Site improvements	40 years
Buildings	40 years
Equipment	10 years
Vehicles	10 years

Undistributed Reserve – Utah state law allows school districts to establish an "undistributed reserve" for contingencies. Because this is a District imposed restriction, the undistributed reserve is reported as a designation in the General Fund balance sheet. According to state law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees and this designation must not exceed five percent of the General Fund's budgeted expenditures. The expenditure of the reserve requires a written resolution adopted by a majority vote of the District's Board of Education filed with the Utah State Office of Education and State Auditor.

JORDAN SCHOOL DISTRICT

Statement of Cash Flows – For the statement of cash flows for the proprietary fund, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments in the Public Treasurers' Investment Fund are considered cash equivalents.

Comparative Data – Comparative total data for the prior year is presented in certain sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

Variances between Budget and Actual Data – Expenditure-driven grants are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding fiscal year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2005, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 10,180,372
Carrying amount of investments:	
Mutual funds	297,639
Public Treasurers' Investment Fund	<u>193,989,940</u>
Total cash and investments	<u>\$ 204,467,951</u>
Governmental funds cash and investments	\$ 182,965,320
Internal service fund cash and investments	<u>13,868,080</u>
Statement of net assets cash and investments	196,833,400
Agency fund cash and investments	<u>7,634,551</u>
Total cash and investments	<u>\$ 204,467,951</u>

The District complies with the State Money Management Act (Utah Code Section 51, Chapter 7) (Act) and related Rules of the Money Management Council (Council) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, US Treasury obligations, US agency issues, high-grade commercial paper, banker's acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow Jordan Education Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

JORDAN SCHOOL DISTRICT

All of the District's investments are with the PTIF. The Foundation has deposits separate from the District and invests some private funds through a broker.

Deposits – At June 30, 2005, the District's carrying amount of bank deposits is \$10,180,372 and the bank balance is \$23,765,295. Of the bank balance, \$818,569 is covered by federal depository insurance and \$22,946,726 is uninsured and uncollateralized. No deposits are collateralized nor are they required to be by state statute.

- **Custodial Credit Risk** – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments – The District's investment in the PTIF has a maturity of less than one year and has a fair value of \$193,989,940. The Foundation's investment in mutual funds is invested in common stocks, has a maturity of one year or less, and has a fair value of \$297,639.

- **Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and banker's acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years. The Foundation can invest private funds in fixed-income securities with a dollar-weighted average maturity not to exceed ten years.
- **Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service, Inc. or by Standard and Poor's Corporation. The District has no investment policy that would further limit its investment choices. The District's investment in the PTIF and the Foundation's investment in mutual funds are not rated.
- **Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to five percent of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than five percent of all funds are invested in any one issuer and no more than twenty-five percent of all funds are invested in a particular industry. Also, for the Foundation's investments in private funds, no more than seventy-five percent may be invested in equity securities and no more than five percent in collateralized mortgage obligations.
- **Custodial Credit Risk** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Foundation's investments are held in a brokerage account which is covered by Securities Investor Protection Corporation up to \$500,000.

JORDAN SCHOOL DISTRICT

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Sites	\$ 36,994,079	\$ 5,107,120	\$ (699,539)	\$ 41,401,660
Construction in progress	30,995,209	50,629,727	(23,311,397)	58,313,539
Total capital assets, not being depreciated	67,989,288	55,736,847	(24,010,936)	99,715,199
Capital assets, being depreciated:				
Site improvements	26,171,807	1,143,136	-	27,314,943
Buildings	622,405,639	36,685,519	(2,781,314)	656,309,844
Equipment	83,883,013	10,179,888	(10,366,104)	83,696,797
Vehicles	17,003,465	2,411,209	(359,138)	19,055,536
Total capital assets, being depreciated	749,463,924	50,419,752	(13,506,556)	786,377,120
Accumulated depreciation for:				
Site improvements	7,103,880	1,178,681	-	8,282,561
Buildings	183,795,326	16,446,911	(2,781,314)	197,460,923
Equipment	41,906,584	9,643,819	(9,935,626)	41,614,777
Vehicles	7,441,173	1,941,467	(347,042)	9,035,598
Total accumulated depreciation	240,246,963	29,210,878	(13,063,982)	256,393,859
Total capital assets, being depreciated, net	509,216,961	21,208,874	(442,574)	529,983,261
Governmental activity capital assets, net	<u>\$ 577,206,249</u>	<u>\$ 76,945,721</u>	<u>\$ (24,453,510)</u>	<u>\$ 629,698,460</u>

Depreciation expense for the year ended June 30, 2005 was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 22,226,130
Supporting services:	
Instructional staff	88,683
General district administration	920,486
School administration	806,154
Operation and maintenance of school buildings	2,267,606
Student transportation	1,764,153
Nutrition services	1,137,666
Total depreciation expense, governmental activities	<u>\$ 29,210,878</u>

JORDAN SCHOOL DISTRICT

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2005, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 181,965,000	\$ 15,000,000	\$ (24,190,000)	\$ 172,775,000	\$ 25,195,000
Deferred amounts for issuance premiums	4,184,103	235,329	(500,228)	3,919,204	-
Deferred amounts on refundings	(6,045,748)	-	634,703	(5,411,045)	-
Total bonds payable, net	180,103,355	15,235,329	(24,055,525)	171,283,159	25,195,000
Accrued vacation	1,958,933	2,082,980	(1,958,933)	2,082,980	1,770,533
Early retirement payable	7,576,647	3,061,045	(3,221,631)	7,416,061	4,295,663
Total governmental activity long-term liabilities	\$ 189,638,935	\$ 20,379,354	\$ (29,236,089)	\$ 180,782,200	\$ 31,261,196

General Obligation Bonds Payable – Bonds payable at June 30, 2005, are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service Fund:

Series	Purpose	Original Amount	Remaining Interest Rate Range	Final Maturity Date	Current Outstanding Balance
June 15, 1997	School Building	\$ 65,000,000	5.75%	June 15, 2007	\$ 9,120,000
August 1, 1997	Bond Refunding	37,870,000	5.25%	June 15, 2010	28,200,000
July 1, 1998	School Building	50,000,000	5.00%	June 15, 2008	10,225,000
August 1, 1999	School Building	14,500,000	5.00% to 5.13%	June 15, 2009	3,825,000
October 15, 2000	School Building	14,500,000	5.00%	June 15, 2010	4,655,000
September 15, 2001	School Building	10,000,000	3.50% to 4.55%	June 15, 2016	7,825,000
September 15, 2002	Bond Refunding	39,540,000	2.25% to 4.00%	June 15, 2015	36,200,000
May 15, 2003	School Building & Bond Refunding	20,200,000	2.00% to 4.00%	June 15, 2017	10,265,000
September 15, 2003	School Building	20,000,000	2.50% to 4.20%	June 15, 2018	17,825,000
March 1, 2004	Bond Refunding	30,585,000	4.00% to 4.50%	June 15, 2012	30,585,000
October 1, 2004	School Building	15,000,000	3.00% to 4.00%	June 15, 2019	14,050,000
Total general obligation bonds payable as of June 30, 2005					<u>\$ 172,775,000</u>

All bonds are rated 'AAA' based on the guaranty provided by the Utah School Bond Default Avoidance Program. The District has an underlying rating of 'AAA' by Fitch Investors Service, Inc., and 'Aa1' by Moody's, as of the date of this Comprehensive Annual Financial Report. Debt service requirements to maturity, including interest for the general obligation bonds payable, are summarized on the next page:

JORDAN SCHOOL DISTRICT

Year Ending June 30	Principal	Interest	Total
2006	\$ 25,195,000	\$ 7,355,269	\$ 32,550,269
2007	26,330,000	6,234,219	32,564,219
2008	17,730,000	4,976,306	22,706,306
2009	17,430,000	4,221,887	21,651,887
2010	18,255,000	3,452,143	21,707,143
2011-2015	55,445,000	7,897,712	63,342,712
2016-2019	12,390,000	1,053,063	13,443,063
Total	<u>\$ 172,775,000</u>	<u>\$ 35,190,599</u>	<u>\$ 207,965,599</u>

Bond Election – On February 4, 2003, a bond election was held and \$281 million in general obligation school building bonds were authorized. The bonds are to finance the building or renovation of schools, the purchase of building sites, and to equip schools. The District issued \$10 million of bonds dated May 15, 2003, with interest rates from 2.00 to 4.00 percent and a maturity date of June 15, 2017. The District issued \$20 million of bonds dated September 15, 2003, with interest rates from 2.50 to 4.20 percent and a maturity date of June 15, 2018. The District issued \$15 million of bonds dated October 1, 2004, with interest rates from 3.00 to 4.00 percent and a maturity date of June 15, 2019. At June 30, 2005, \$236 million of authorized bonds remain unissued.

Prior-year Defeasance of Debt – On September 24, 2002, the District defeased callable portions of the general obligation bonds dated December 1, 1993, January 1, 1995, July 1, 1998, August 1, 1999, and October 15, 2000, by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the callable portions of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On December 15, 2003, the trust redeemed \$4,575,000 of these defeased bonds. On June 15, 2005, the trust redeemed \$2,385,000 of these defeased bonds. As of June 30, 2005, \$28,910,000 of bonds outstanding are considered defeased by this bond issuance.

On February 24, 2004, the District defeased callable portions of the general obligation bonds dated June 15, 1997, and July 1, 1998, by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the callable portions of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of June 30, 2005, \$30,995,000 of bonds outstanding are considered defeased by this bond issuance.

Accrued Vacation – The District accrues vacation for twelve-month or full-year contract employees. Employees accrue between ten and twenty days each year depending upon length of service with the District, generally limited to a maximum number of days earned for one year. The District is liable to the employee for days earned but not taken. On June 30, 2005, that liability was \$2,082,980 and will be paid by the general fund. If an employee terminates, then a payment is made; otherwise, scheduled vacation time off is allowed.

Early Retirement Payable – For a description of the District's early retirement incentive program, please see Note 8 under the caption "Other Retirement Benefits."

5. TRANSFERS

During the year ended June 30, 2005 the District transferred \$13,974,068 from the capital projects fund to the general fund to cover expenditures in the general fund for supplies, equipment, textbooks, and maintenance. This represents most of the amount received from the Ten Percent of Basic tax levy which by State law is collected in the Capital Projects Fund but is used for the above listed General Fund and some Capital Projects Fund expenditures.

JORDAN SCHOOL DISTRICT

6. COMMITMENTS

The District has six new schools under construction, and one school undergoing major renovation, with an anticipated total cost of \$90,500,000. As of June 30, 2005, \$66,498,294 was expended on these buildings and their contents, leaving an estimated \$24,001,706 as future costs. At June 30, 2005 the District has \$36,370,242 in open purchase orders for capital projects. The District anticipates spending \$48,078,000 for fiscal year 2006 building projects and \$19,323,731 for other capital asset purchases. The reservation of fund balance for capital projects in the Capital Projects Fund at June 30, 2005, is \$18,542,690, which will be used, along with future bond issues and tax proceeds, to fund these projects.

7. PROPERTY TAXES

The budgeting and accounting for property taxes are handled on a modified accrual basis, with appropriate recognition of property taxes receivable at year-end. The District has recorded a property tax receivable for the delinquent property taxes due and for the taxes assessed January 1. The District has recorded a corresponding property tax deferral for taxes assessed January 1 but not due and collectible within thirty days of the end of the fiscal year. The property tax revenue of the District is collected and distributed by the Salt Lake County Treasurer as an agent for the District.

Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1 and complete the tax rolls by May 22. By July 22, the County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may petition the County Board of Equalization within 30 days of receipt of the tax notice for a revision of the assessed value. The County Auditor makes approved changes in assessed values by November 1. On this same date the Auditor is to deliver the completed assessment rolls to the County Treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2 percent penalty of the property tax due, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at a rate determined by the County; the interest period is from January 1, until the taxes are paid. If in May of the fifth year the taxes remain delinquent, the County advertises and sells the property at a tax sale.

8. RETIREMENT PLANS

Defined Benefit Plans – The District contributes to the State and School Contributory Retirement System and the State and School Noncontributory Retirement System (collectively, the Systems), which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective section of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the URS and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 1.00 percent of annual covered salary, and the District contributes 13.89 percent of annual covered salary. In the State and School Noncontributory Retirement System the District is required to contribute 13.38 percent of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized and specified by statute and by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2005, 2004, and 2003 were \$615,354, \$554,825, and \$579,573, respectively, and employee contributions were \$44,303, \$45,440, and \$53,123. The District's contributions to the State and School Noncontributory Retirement System for the years ended June 30, 2005, 2004, and 2003 were \$24,075,984, \$20,262,275, and \$19,789,704, respectively. The contributions were equal to the required contributions for each year.

JORDAN SCHOOL DISTRICT

Defined Contribution Plans – The District participates in a defined contribution plan, under Internal Revenue Code Section 401(k), to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5 percent of salary automatically made by the District. During the years ended June 30, 2005, 2004, and 2003, employer contributions were \$2,970,269, \$2,781,391, and \$2,967,819, respectively. Employees who are participants of the Systems can make additional contributions. These employee contributions were \$5,814,561, \$5,481,035, and \$6,025,855, respectively, for the same periods. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS. Plan provisions and contribution requirements are established by state statute and may be amended by the State.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$764,402 for the year ended June 30, 2005. The assets of the plan are administered and held by URS. Plan provisions and contribution requirements are established by state statute and may be amended by the State.

Other Retirement Benefits – The District has an early retirement incentive program for certificated and administrative employees who have met the provisions of the Utah State Employees' Retirement Act. The program includes incentive pay for early retirees for a maximum of four years or until the retiree reaches the age of unreduced social security benefit, whichever comes first. At June 30, 2005, the District's early retirement payable amount for retired employees totaled \$7,416,061 and will be paid by the General Fund. The District has designated \$7,416,061 in the General Fund to cover this obligation. The District estimates the amount owing on current employees who are eligible for this benefit should they choose to retire early and those who are earning credits toward this benefit to be about \$75 million.

Retiring employees are eligible to receive an unused sick leave bonus from the District. This bonus ranges from 25 to 30 percent of the value of sick leave accumulation. Employees are also paid \$75 for each year of service in the District at the time they retire. Expenditures are accounted for on a pay-as-you-go basis. At June 30, 2005, the District estimates these obligations for qualifying employees, should they choose to retire, to be \$1,117,842 and this will be paid by the General Fund. The District designated this amount in the General Fund to cover these obligations. The District has not estimated the amount owing on those who are earning credits toward these benefits.

In addition, by Board policy, the District pays the majority of post retirement health and life insurance benefits (amount determined annually) for certificated, classified, and administrative employees who have retired. This benefit is for a specified period of time based on the retiree's full-time equivalent service in the District. The number of participants who received post retirement insurance benefits was 518 in the month of January 2005. Expenditures for the insurance benefits totaled \$2,971,463 for the year ended June 30, 2005. Expenditures are accounted for and funded on a pay-as-you-go basis. At June 30, 2005, the District's obligation for retired employees totaled \$9,205,190 (assuming no inflation in insurance premiums). The District has designated \$9,205,190 in the General Fund to cover this obligation. The District estimates the amount owing on current employees who are eligible for these benefits should they choose to retire and those who are earning credits toward these benefits to be about \$181 million. The District designated \$9,260,907 in the General Fund to begin to cover this obligation for current employees.

9. RISK MANAGEMENT

The Self-Insurance Fund, an internal service fund, was established to pay self-insurance claims for health and accident coverage provided to qualified District employees. The District carries commercial insurance, which covers catastrophic claims. The fund collects premiums, as established by the District and the plan administrator, from other District funds. The District has recorded an estimate of claims incurred but not reported of \$12,685,807 as of June 30, 2005. This liability is based on experience and information provided by the plan administrator and does not include costs to process the claims. The table on the next page shows a history of accrued claims payable for the years ended June 30, 2005, and 2004.

JORDAN SCHOOL DISTRICT

	<u>2005</u>	<u>2004</u>	<u>Change</u>
Accrued claims payable (beginning of year)	\$ 10,232,386	\$ 9,804,931	\$ 427,455
Claims (including incurred but not reported)	42,142,534	35,623,224	6,519,310
Payments of claims	(39,689,113)	(35,195,769)	(4,493,344)
Accrued claims payable (end of year)	<u>\$ 12,685,807</u>	<u>\$ 10,232,386</u>	<u>\$ 2,453,421</u>

The District also maintains insurance coverage for general, automobile, personal injury, errors and omission, employee dishonesty, and malpractice liability up to \$10,000,000 per occurrence through policies administered by the Utah State Risk Management Fund (USRMF). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah State Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a deductible of \$1,000 per occurrence. Settled claims have not exceeded the District's insurance coverage for any of the past three years. The USRMF is a public entity risk pool operated by the state for the benefit of state and local governments. The District pays annual premiums to USRMF; USRMF obtains independent coverage for insured events, up to \$25 million per location. All District employees are covered for workers' compensation by the District's self-insured workers' compensation program. As the liability for workers' compensation as of June 30, 2005, is insignificant, no liability was recorded.

10. LITIGATION

The District is involved in several minor lawsuits, which the District believes will have an insignificant effect on the District's financial position regardless of the outcome.

11. GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

JORDAN SCHOOL DISTRICT

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Combining and Individual Fund Financial Statements and Schedules

JORDAN SCHOOL DISTRICT

Nonmajor Governmental Funds June 30, 2005

Special Revenue Funds

Special revenue funds generally account for the revenues and expenditures that are restricted to specific programs or projects. The District's special revenue funds are as follows:

- Nutrition Services Fund – to account for the operation of the school lunch and breakfast programs.
- Non K-12 Programs Fund – to account for the operation of preschool, adult education, and community recreation programs.
- Jordan Education Foundation Fund – to account for funds secured from the private sector which are used to enhance public education programs within the District.

JORDAN SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Special Revenue			Total Nonmajor Governmental Funds
	Nutrition Services	Non K-12 Programs	Jordan Education Foundation	
Assets:				
Cash and investments	\$ 3,463,876	\$ 4,283,917	\$ 809,462	\$ 8,557,255
Accounts receivable:				
Property taxes	-	2,470,844	-	2,470,844
State of Utah	641,295	-	-	641,295
Federal government	372,628	471,139	-	843,767
Inventories	869,573	-	-	869,573
Total assets	<u>\$ 5,347,372</u>	<u>\$ 7,225,900</u>	<u>\$ 809,462</u>	<u>\$ 13,382,734</u>
Liabilities:				
Accounts payable	\$ 73,453	\$ 18,729	\$ 7,185	\$ 99,367
Deferred revenue:				
Property taxes	-	2,451,915	-	2,451,915
Other local	296,020	-	-	296,020
State of Utah	-	1,417,204	-	1,417,204
Total liabilities	<u>369,473</u>	<u>3,887,848</u>	<u>7,185</u>	<u>4,264,506</u>
Fund balances:				
Reserved for:				
Encumbrances	7,739	262	179	8,180
Inventories	869,573	-	-	869,573
Unreserved:				
Designated for:				
Schools	-	-	691,180	691,180
Programs	-	60,576	-	60,576
Undesignated	4,100,587	3,277,214	110,918	7,488,719
Total fund balances	<u>4,977,899</u>	<u>3,338,052</u>	<u>802,277</u>	<u>9,118,228</u>
Total liabilities and fund balances	<u>\$ 5,347,372</u>	<u>\$ 7,225,900</u>	<u>\$ 809,462</u>	<u>\$ 13,382,734</u>

JORDAN SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2005

	Special Revenue			Total Nonmajor Governmental Funds
	Nutrition Services	Non K-12 Programs	Jordan Education Foundation	
Revenues:				
Property taxes	\$ -	\$ 2,383,273	\$ -	\$ 2,383,273
Student fees	-	952,377	-	952,377
Lunch sales	10,766,919	-	-	10,766,919
Interest	210,511	3,206	28,753	242,470
Other local	-	-	427,093	427,093
State of Utah	2,722,441	4,295,387	-	7,017,828
Federal government	7,813,444	2,093,532	-	9,906,976
Total revenues	21,513,315	9,727,775	455,846	31,696,936
Expenditures:				
Current:				
Supporting services:				
Students	-	-	328,219	328,219
Nutrition services	20,782,630	-	-	20,782,630
Non K-12 programs	-	9,184,521	-	9,184,521
Total expenditures	20,782,630	9,184,521	328,219	30,295,370
Net change in fund balances	730,685	543,254	127,627	1,401,566
Fund balances - beginning	4,247,214	2,794,798	674,650	7,716,662
Fund balances - ending	\$ 4,977,899	\$ 3,338,052	\$ 802,277	\$ 9,118,228

JORDAN SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nutrition Services****A Nonmajor Special Revenue Fund**

Year Ended June 30, 2005

With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Local sources:				
Lunch sales - students	\$ 10,287,000	\$ 10,272,072	\$ (14,928)	\$ 9,746,156
Lunch sales - adult	500,000	494,847	(5,153)	470,111
Interest	176,000	210,511	34,511	112,966
Total local sources	10,963,000	10,977,430	14,430	10,329,233
State sources:				
State lunch program	2,380,000	2,722,441	342,441	2,515,013
Total state sources	2,380,000	2,722,441	342,441	2,515,013
Federal sources:				
Lunch program	1,570,000	1,613,378	43,378	1,561,209
Free and reduced reimbursement	3,985,000	4,068,726	83,726	3,777,414
Breakfast program	488,000	503,642	15,642	373,431
Other food programs	217,000	250,424	33,424	150,809
Commodity program	1,000,000	1,377,274	377,274	1,435,836
Total federal sources	7,260,000	7,813,444	553,444	7,298,699
Total revenues	20,603,000	21,513,315	910,315	20,142,945
Expenditures:				
Current:				
Salaries	8,472,400	8,447,231	25,169	8,378,763
Employee benefits	2,819,000	2,804,522	14,478	2,687,841
Purchased services	161,100	167,613	(6,513)	212,998
Supplies and materials	447,250	394,312	52,938	409,967
Food	8,610,000	8,150,714	459,286	7,476,723
Property	250,000	190,508	59,492	236,671
Other	628,175	627,730	445	627,924
Total expenditures	21,387,925	20,782,630	605,295	20,030,887
Net change in fund balances	(784,925)	730,685	1,515,610	112,058
Fund balances - beginning	4,247,214	4,247,214	-	4,135,156
Fund balances - ending	\$ 3,462,289	\$ 4,977,899	\$ 1,515,610	\$ 4,247,214

JORDAN SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Non K-12 Programs****A Nonmajor Special Revenue Fund**

Year Ended June 30, 2005

With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 2,312,500	\$ 2,383,273	\$ 70,773	\$ 1,896,458
Tuitions, sales, and other	730,450	952,377	221,927	844,599
Interest	3,000	3,206	206	1,699
Total local sources	3,045,950	3,338,856	292,906	2,742,756
State sources:				
Special education - preschool	1,783,499	1,305,634	(477,865)	1,262,896
Adult high school completion	1,683,261	931,035	(752,226)	651,479
South Park Academy	1,761,526	1,645,656	(115,870)	1,630,494
Other	454,038	413,062	(40,976)	381,678
Total state sources	5,682,324	4,295,387	(1,386,937)	3,926,547
Federal sources:				
Special education - preschool	455,860	451,769	(4,091)	245,570
Adult education	206,791	229,505	22,714	163,680
Special education - infants with disabilities	1,285,107	1,294,963	9,856	1,316,734
Other	340,883	117,295	(223,588)	216,169
Total federal sources	2,288,641	2,093,532	(195,109)	1,942,153
Total revenues	11,016,915	9,727,775	(1,289,140)	8,611,456
Expenditures:				
Current:				
Salaries	6,022,293	5,697,393	324,900	5,360,126
Employee benefits	2,091,787	1,710,108	381,679	1,494,641
Purchased services	618,561	642,971	(24,410)	588,559
Supplies and materials	881,374	748,354	133,020	625,099
Property	740,131	159,561	580,570	123,243
Other	229,362	226,134	3,228	168,154
Total expenditures	10,583,508	9,184,521	1,398,987	8,359,822
Net change in fund balances	433,407	543,254	109,847	251,634
Fund balances - beginning	2,794,798	2,794,798	-	2,543,164
Fund balances - ending	\$ 3,228,205	\$ 3,338,052	\$ 109,847	\$ 2,794,798

JORDAN SCHOOL DISTRICT**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances*****Jordan Education Foundation*****A Nonmajor Special Revenue Fund****Years Ended June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Revenues:		
Local sources:		
Contributions	\$ 427,093	\$ 415,120
Gain on investments	28,753	3,482
Total revenues	<u>455,846</u>	<u>418,602</u>
Expenditures:		
Current:		
Program services - supplies and materials donated to schools	<u>328,219</u>	<u>393,600</u>
Net change in fund balances	127,627	25,002
Fund balances - beginning	<u>674,650</u>	<u>649,648</u>
Fund balances - ending	<u>\$ 802,277</u>	<u>\$ 674,650</u>

JORDAN SCHOOL DISTRICT

**Major Governmental Funds
June 30, 2005**

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, principal, interest, and related costs on general obligation bonds.

Capital Projects Fund

The Capital Projects Fund accounts for the acquisition of capital assets and construction of major capital projects not being financed by proprietary funds.

JORDAN SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund - A Major Governmental Fund**

Year Ended June 30, 2005

With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Property taxes	\$ 29,600,000	\$ 30,822,561	\$ 1,222,561	\$ 31,838,278
Interest	250,000	313,579	63,579	193,124
Total revenues	29,850,000	31,136,140	1,286,140	32,031,402
Expenditures:				
Debt service:				
Bond principal	24,190,000	24,190,000	-	22,535,000
Bond interest	8,391,959	8,366,776	25,183	8,465,287
Bond issuance costs	-	-	-	199,956
Paying agent fees and other	7,500	4,850	2,650	4,200
Total expenditures	32,589,459	32,561,626	27,833	31,204,443
Excess (deficiency) of revenues over (under) expenditures	(2,739,459)	(1,425,486)	1,313,973	826,959
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	30,585,000
Bond premium	-	-	-	3,200,949
Payment to refunded bonds escrow agent	-	-	-	(33,802,993)
Total other financing sources (uses)	-	-	-	(17,044)
Net change in fund balances	(2,739,459)	(1,425,486)	1,313,973	809,915
Fund balance - beginning	3,818,899	3,818,899	-	3,008,984
Fund balance - ending	\$ 1,079,440	\$ 2,393,413	\$ 1,313,973	\$ 3,818,899

JORDAN SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Fund - A Major Governmental Fund**

Year Ended June 30, 2005

With Comparative Totals for 2004

	2005			2004
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 62,900,000	\$ 65,009,276	\$ 2,109,276	\$ 55,525,732
Interest	700,000	1,067,789	367,789	714,140
Other local	-	1,373,898	1,373,898	883,606
Total local sources	63,600,000	67,450,963	3,850,963	57,123,478
State sources:				
Capital equalization	465,074	465,074	-	440,521
Other state	-	-	-	100,000
Total state sources	465,074	465,074	-	540,521
Federal sources:				
Natural gas school bus grant	-	350,000	350,000	-
Total revenues	64,065,074	68,266,037	4,200,963	57,663,999
Expenditures:				
Sites and improvements	5,525,000	6,268,570	(743,570)	3,438,462
Buildings	70,834,595	60,293,558	10,541,037	42,304,864
Equipment and vehicles	21,594,830	7,506,768	14,088,062	10,790,087
Bond issuance cost	165,000	164,959	41	143,206
Other capital outlay	2,407,743	1,653,860	753,883	2,374,251
Total expenditures	100,527,168	75,887,715	24,639,453	59,050,870
Excess (deficiency) of revenues over (under) expenditures	(36,462,094)	(7,621,678)	28,840,416	(1,386,871)
Other Financing Sources (Uses):				
General obligation bonds issued	15,000,000	15,000,000	-	20,000,000
Bond premium	-	235,329	235,329	204,038
Capital lease	-	-	-	1,685,936
Transfer out	(13,500,000)	(13,974,068)	(474,068)	(12,693,968)
Proceeds from sale of property	2,200,000	2,303,282	103,282	176,673
Total other financing sources (uses)	3,700,000	3,564,543	(135,457)	9,372,679
Net change in fund balances	(32,762,094)	(4,057,135)	28,704,959	7,985,808
Fund balance - beginning	58,970,067	58,970,067	-	50,984,259
Fund balance - ending	<u>\$ 26,207,973</u>	<u>\$ 54,912,932</u>	<u>\$ 28,704,959</u>	<u>\$ 58,970,067</u>

JORDAN SCHOOL DISTRICT

**Fiduciary Funds (Agency Funds)
June 30, 2005**

Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity. The *Student Activities Fund* accounts for the receipt and disbursement of monies of student activity organizations. These resources are not available for District programs or budgets.

JORDAN SCHOOL DISTRICT

Statement of Changes in Assets and Liabilities Student Activities Agency Fund Year Ended June 30, 2005

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2005</u>
Assets:				
Cash and investments	<u>\$ 7,061,518</u>	<u>\$ 17,609,846</u>	<u>\$ 17,036,813</u>	<u>\$ 7,634,551</u>
Liabilities:				
Due to student organizations:				
Elementary Schools:				
Alta View	\$ 7,292	\$ 126,686	\$ 126,125	\$ 7,853
Altara	16,818	137,209	135,407	18,620
Bell View	21,915	111,299	109,184	24,030
Bella Vista	10,273	68,843	71,364	7,752
Bluffdale	18,091	220,317	222,439	15,969
Brookwood	33,988	154,170	120,479	67,679
Butler	21,395	115,890	108,444	28,841
Canyon View	17,060	115,049	118,187	13,922
Columbia	16,779	114,088	122,006	8,861
Copper Canyon	-	130,174	122,864	7,310
Copperview	16,124	76,615	79,562	13,177
Cottonwood Heights	17,074	77,082	94,156	-
Crescent	28,643	149,872	156,658	21,857
Daybreak	-	3,043	1,898	1,145
Draper	26,106	197,081	182,894	40,293
East Midvale	5,019	69,988	72,149	2,858
East Sandy	14,681	124,085	126,858	11,908
Edgemont	15,325	109,853	109,621	15,557
Elk Meadows	58,626	176,860	180,600	54,886
Foothills	17,390	187,819	166,057	39,152
Granite	23,887	187,090	164,926	46,051
Hayden Peak	21,977	200,755	210,697	12,035
Heartland	3,045	80,086	76,864	6,267
Herriman	17,107	257,766	232,083	42,790
Jordan Hills	62,896	256,501	268,993	50,404
Jordan Ridge	19,281	203,547	202,990	19,838
Lone Peak	17,729	150,226	151,942	16,013
Majestic	12,380	52,635	52,772	12,243
Midvale	19,557	59,730	61,566	17,721
Midvalley	18,202	103,188	106,597	14,793
Monte Vista	27,295	241,671	214,787	54,179
Mountain Shadows	12,882	160,827	161,751	11,958
Mountview	11,536	66,244	77,780	-
Oak Hollow	22,612	211,149	210,822	22,939
Oakcrest	-	119,509	117,553	1,956
Oakdale	16,976	87,152	83,553	20,575
Oquirrh	9,635	115,271	115,065	9,841

(continued)

JORDAN SCHOOL DISTRICT

Statement of Changes in Assets and Liabilities (Continued)

Student Activities Agency Fund

Year Ended June 30, 2005

	Balance at July 1, 2004	Additions	Deductions	Balance at June 30, 2005
Liabilities (continued):				
Due to student organizations (continued):				
Elementary Schools (continued):				
Park Lane	\$ 19,542	\$ 96,756	\$ 86,463	\$ 29,835
Peruvian Park	29,461	160,456	163,601	26,316
Quail Hollow	22,814	132,480	135,356	19,938
Ridgecrest	17,961	68,340	72,436	13,865
Riverside	15,885	120,710	111,264	25,331
Riverton	20,633	133,485	133,309	20,809
Rosamond	34,303	193,523	188,005	39,821
Rose Creek	36,077	222,849	221,682	37,244
Sandy	9,850	48,863	53,392	5,321
Silver Mesa	25,632	103,056	100,274	28,414
South Jordan	40,724	187,437	190,446	37,715
Southland	1,776	196,736	189,033	9,479
Sprucewood	16,320	198,695	197,053	17,962
Sunrise	34,832	134,529	128,846	40,515
Terra Linda	52,351	123,008	139,809	35,550
Welby	44,204	288,668	280,249	52,623
West Jordan	15,293	101,723	98,276	18,740
Westland	12,832	135,526	127,200	21,158
Westvale	41,638	155,958	169,791	27,805
Willow Canyon	10,234	106,066	107,068	9,232
Total elementary schools	1,181,958	7,928,234	7,831,246	1,278,946
Middle Schools:				
Albion	92,643	372,791	372,378	93,056
Butler	113,719	358,664	377,718	94,665
Crescent View	240,382	433,538	468,079	205,841
Eastmont	87,933	315,514	318,393	85,054
Elk Ridge	189,780	474,418	482,895	181,303
Fort Herriman	-	8,000	893	7,107
Indian Hills	76,862	357,879	359,748	74,993
Joel P. Jensen	59,740	321,146	330,978	49,908
Midvale	158,016	230,109	237,387	150,738
Mount Jordan	35,552	213,422	210,022	38,952
Oquirrh Hills	64,018	432,379	435,086	61,311
South Hills	69,200	533,539	529,107	73,632
South Jordan	191,939	489,796	504,071	177,664
Sunset Ridge	-	7,500	209	7,291

(continued)

JORDAN SCHOOL DISTRICT

Statement of Changes in Assets and Liabilities (Concluded) **Student Activities Agency Fund** **Year Ended June 30, 2005**

	Balance at July 1, 2004	Additions	Deductions	Balance at June 30, 2005
Liabilities (continued):				
Due to student organizations (continued):				
Middle Schools (continued):				
Union	\$ 138,323	\$ 295,776	\$ 294,705	\$ 139,394
West Hills	132,912	460,333	449,047	144,198
West Jordan	161,006	331,642	329,713	162,935
Total middle schools	<u>1,812,025</u>	<u>5,636,446</u>	<u>5,700,429</u>	<u>1,748,042</u>
High Schools:				
Alta	474,955	2,040,097	1,862,246	652,806
Bingham	327,082	2,047,612	2,011,605	363,089
Brighton	713,716	1,818,992	1,801,397	731,311
Copper Hills	321,742	1,429,433	1,427,280	323,895
Hillcrest	258,291	1,418,088	1,323,931	352,448
Jordan	818,554	1,654,594	1,622,908	850,240
Riverton	531,726	1,975,196	1,841,228	665,694
West Jordan	334,039	1,514,658	1,458,336	390,361
Jordan Technical Center - East	36,768	137,318	150,450	23,636
Jordan Technical Center - West	35,995	97,153	100,183	32,965
Valley	130,708	62,214	55,774	137,148
Total high schools	<u>3,983,576</u>	<u>14,195,355</u>	<u>13,655,338</u>	<u>4,523,593</u>
Special Schools:				
Jordan Resource	5,401	35,387	36,781	4,007
Jordan Valley	42,891	154,713	155,956	41,648
South Valley	35,667	426,630	423,982	38,315
Total special schools	<u>83,959</u>	<u>616,730</u>	<u>616,719</u>	<u>83,970</u>
Total all schools	<u>7,061,518</u>	<u>28,376,765</u>	<u>27,803,732</u>	<u>7,634,551</u>
Less nutrition service activities	-	(10,766,919)	(10,766,919)	-
Total liabilities	<u>\$ 7,061,518</u>	<u>\$ 17,609,846</u>	<u>\$ 17,036,813</u>	<u>\$ 7,634,551</u>

JORDAN SCHOOL DISTRICT

General Fund Expenditures by Function For the Years Ended June 30, 1996 through 2005

Function Number	Function	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
1000	Instruction	\$233,668,743	\$214,197,201	\$215,480,738	\$221,250,591	\$211,858,535	\$201,002,986	\$185,407,855	\$181,800,214	\$174,781,457	\$159,028,787
	Supporting Services:										
2100	Students	10,608,256	10,668,958	10,229,015	10,352,810	9,658,351	9,212,765	8,553,428	8,140,015	7,787,159	7,186,970
2200	Instructional staff	21,832,050	20,608,435	17,627,396	13,738,791	12,413,292	10,381,235	10,387,521	9,021,842	8,780,862	7,950,827
2300	General district administration	2,465,806	2,272,711	1,766,305	1,383,860	1,374,916	1,281,826	1,206,060	1,141,185	1,155,589	896,501
2400	School administration	23,634,429	22,757,649	21,806,596	21,697,453	20,540,152	18,267,118	17,020,305	15,840,980	14,836,307	14,092,194
2500	Accounting and purchasing services	3,303,665	3,155,926	2,942,937	2,850,631	2,586,490	2,514,700	2,571,066	2,399,229	2,352,210	2,139,595
2600	Operation and maintenance of buildings	34,663,679	33,781,776	32,636,123	32,395,320	31,359,092	28,587,711	26,910,658	25,558,922	24,748,277	22,432,544
2700	Student transportation	10,952,255	10,436,765	9,673,619	9,035,572	8,771,694	8,081,563	7,635,164	6,934,320	6,319,010	5,987,517
2800	Personnel, planning, and data processing	5,629,889	5,013,624	5,289,573	5,004,787	4,628,021	4,182,917	4,058,419	3,895,818	3,711,571	3,283,483
2900	Other supporting services	164,275	161,114	158,810	160,020	156,114	154,406	174,597	378,300	302,819	281,946
	Total	\$346,921,047	\$323,064,159	\$317,613,112	\$317,879,835	\$303,346,657	\$283,627,227	\$273,925,071	\$255,110,425	\$244,755,361	\$223,288,164
	Average Daily Membership	75,426	74,316	73,351	72,835	72,515	72,573	72,985	72,741	72,504	71,439
	Average Expenditures Per Pupil	\$ 4,599	\$ 4,347	\$ 4,330	\$ 4,364	\$ 4,183	\$ 3,908	\$ 3,753	\$ 3,507	\$ 3,376	\$ 3,126

JORDAN SCHOOL DISTRICT

General Fund Expenditures by Function Per Pupil For the Years Ended June 30, 1996 through 2005

Function Number	Function	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
1000	Instruction	\$3,098	\$2,882	\$2,938	\$3,038	\$2,922	\$2,770	\$2,677	\$2,499	\$2,411	\$2,226
	Supporting Services:										
2100	Students	141	144	140	142	133	127	117	112	107	101
2200	Instructional staff	289	277	240	188	171	143	142	124	121	111
2300	General district administration	33	31	24	19	19	17	17	16	16	13
2400	School administration	313	306	297	298	283	252	233	218	205	197
2500	Accounting and purchasing services	44	42	40	39	36	35	35	33	33	30
2600	Operation and maintenance of buildings	459	455	445	445	432	394	369	351	341	314
2700	Student transportation	145	140	132	124	121	111	105	95	87	84
2800	Personnel, planning, and data processing	75	68	72	69	64	57	56	54	51	46
2900	Other supporting services	2	2	2	2	2	2	2	5	4	4
	Total	<u>\$4,599</u>	<u>\$4,347</u>	<u>\$4,330</u>	<u>\$4,364</u>	<u>\$4,183</u>	<u>\$3,908</u>	<u>\$3,753</u>	<u>\$3,507</u>	<u>\$3,376</u>	<u>\$3,126</u>
	Average Daily Membership	75,426	74,316	73,351	72,835	72,515	72,573	72,985	72,741	72,504	71,439

JORDAN SCHOOL DISTRICT

General Fund Revenues by Source For the Years Ended June 30, 1996, through 2005

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Interest</u>	<u>Other Local</u>	<u>State Sources</u>	<u>Federal Sources</u>	<u>Total Sources</u>
1995-96	\$ 38,540,362	\$ 2,213,767	\$ 5,300,105	\$ 165,453,767	\$ 6,851,741	\$ 219,359,742
1996-97	39,696,349	2,975,056	6,454,618	190,918,844	7,164,045	247,208,912
1997-98	43,157,392	3,538,100	6,738,364	195,019,127	8,695,066	257,148,049
1998-99	45,766,673	3,298,294	6,164,991	207,466,009	10,320,632	273,016,599
1999-00	46,910,686	3,753,169	6,617,427	212,763,098	11,422,897	281,467,277
2000-01	52,360,073	4,876,372	7,843,198	223,129,772	12,313,898	300,523,313
2001-02	52,977,690	2,720,829	8,068,943	233,272,726	16,010,887	313,051,075
2002-03	56,872,141	2,186,664	9,363,926	224,227,070	18,123,611	310,773,412
2003-04	60,027,374	1,883,750	9,202,913	228,853,574	17,668,214	317,635,825
2004-05	71,302,163	3,659,243	10,192,665	242,919,490	21,048,477	349,122,038

JORDAN SCHOOL DISTRICT

Property Tax Levies and Collections For the Years Ended December 31, 1995, through 2004

Tax Year Ended Dec.31	Taxable Value*	Tax Rate	Taxes Assessed**	Current Collections**	Current Collection Percentage Of Taxes Assessed	Miscellaneous and Delinquent Collections	Total Tax Collections	Total Collections As Percent of Current Assessment
1995	\$ 9,647,691,129	0.007262	\$ 72,273,772	\$ 68,810,615	95.21%	\$ 3,310,734	\$ 72,121,349	99.79%
1996	10,867,330,499	0.006392	71,876,162	68,104,644	94.75%	3,243,570	71,348,214	99.27%
1997	12,747,675,057	0.006504	85,120,146	80,216,961	94.24%	3,575,032	83,791,993	98.44%
1998	13,499,855,886	0.006561	90,815,243	84,979,982	93.57%	2,905,410	87,885,392	96.77%
1999	14,154,568,103	0.007578	106,523,170	98,989,596	92.93%	3,906,116	102,895,712	96.59%
2000	15,320,367,845	0.008845	134,590,946	124,428,318	92.45%	5,467,278	129,895,596	96.51%
2001	16,621,580,433	0.008424	139,279,120	127,775,733	91.74%	5,978,247	133,753,980	96.03%
2002	17,750,032,731	0.008344	147,355,942	134,879,755	91.53%	6,710,221	141,589,976	96.09%
2003	18,059,856,595	0.008366	153,383,198	141,449,368	92.22%	8,253,995	149,703,363	97.60%
2004	19,627,112,797	0.008856	172,545,402	160,563,335	93.06%	7,745,391	168,308,726	97.54%

* Source: Property Tax Division, Utah State Tax Commission (includes Fee in Lieu property).

** Source: Salt Lake County Treasurer's Office (includes Property Tax and Motor Vehicle Fee in Lieu).

This schedule recognizes collections on a calendar year basis, whereas property tax collections reported in financial statements are on a fiscal year basis.

JORDAN SCHOOL DISTRICT

Taxable and Estimated Fair Market Value of Property For the Years Ended December 31, 1995, through 2004

<u>Tax Year Ended Dec.31</u>	<u>Taxable Value*</u>	<u>% Change Over Prior Year</u>	<u>Estimated Fair Market Value</u>	<u>% Change Over Prior Year</u>	<u>Ratio of Taxable Value to Estimated Fair Market Value</u>
1995	\$ 9,647,691,129	23.7%	\$ 14,115,839,285	47.2%	68.35%
1996	10,867,330,499	12.6%	15,910,116,570	12.7%	68.30%
1997	12,747,675,057	17.3%	18,604,819,665	16.9%	68.52%
1998	13,499,855,886	5.9%	19,736,090,178	6.1%	68.40%
1999	14,154,568,103	4.8%	20,793,726,710	5.4%	68.07%
2000	15,320,367,845	8.2%	22,519,582,867	8.3%	68.03%
2001	16,621,580,433	8.5%	24,221,802,830	7.6%	68.62%
2002	17,750,032,731	6.8%	25,954,244,754	7.2%	68.39%
2003	18,059,856,595	1.7%	26,663,108,548	2.7%	67.73%
2004	19,627,112,797	8.7%	28,892,271,412	8.4%	67.93%

* Source: Property Tax Division, Utah State Tax Commission (includes Fee in Lieu property).

** A large portion of the increase from 1994 to 1995 is attributable to revaluation.

JORDAN SCHOOL DISTRICT

Property Tax Rates
Percent of Property Valuation - Direct and Overlapping Governmental Entities
For the Years Ended December 31, 1995, through 2004

Calendar Year	Jordan School District	Salt Lake County	Alta Town	Bluffdale City	Draper City	Herriman City	Midvale City	Riverton City	Sandy City	South Jordan City	West Jordan City	Salt Lake County Library	Central Utah Water Project	Other Low-High
TAX RATE (Per \$100 of taxable value)														
1995	0.7262	0.3831	0.1397	0.1042	0.0932	(1)	0.1506	0.1381	0.1788	0.1755	0.2346	0.0669	0.0349	0 - 0.1666
1996	0.6392	0.3782	0.1194	0.1015	0.0905	(1)	0.1450	0.1305	0.1758	0.1736	0.2277	0.0647	0.0342	0 - 0.1610
1997	0.6504	0.3551	0.1171	0.0851	0.0905	(1)	0.1375	0.1233	0.1586	0.1647	0.2143	0.0608	0.0400	0 - 0.1544
1998	0.6561	0.2805	0.1307	0.0902	0.0905	(1)	0.1385	0.1177	0.1606	0.1670	0.2168	0.0607	0.0397	0 - 0.1634
1999	0.7578	0.3246	0.1200	0.0893	0.0923	(1)	0.1329	0.1167	0.1615	0.1704	0.2220	0.0607	0.0396	0 - 0.1996
2000	0.8845	0.2904	0.1263	0.1134	0.1122	0.2117	0.2161	0.1372	0.1788	0.1863	0.2296	0.0583	0.0377	0 - 0.2028
2001	0.8424	0.3025	0.1399	0.1098	0.1365	0.2318	0.2302	0.1571	0.1960	0.2004	0.2483	0.0764	0.0369	0 - 0.2981
2002	0.8344	0.2939	0.1182	0.1287	0.1337	0.2294	0.2253	0.1525	0.1895	0.1950	0.2419	0.0744	0.0358	0 - 0.3038
2003	0.8366	0.2868	0.1298	0.1260	0.1354	0.2234	0.2252	0.1525	0.1890	0.1933	0.2466	0.0747	0.0358	0 - 0.3120
2004	0.8856	0.2816	0.1350	0.1184	0.1327	0.2268	0.2579	0.1502	0.1844	0.1874	0.2695	0.0733	0.0353	0 - 0.3507

Source: Utah Foundation Statistical Review of Government in Utah as compiled from property tax records of the Utah State Tax Commission and Utah Taxpayers Association's website.

(1). Herriman City became incorporated in 2000.

JORDAN SCHOOL DISTRICT

Ratio of Net General Bonded Debt to Taxable Value and Net Bonded Debt Per Capita
For the Years Ended June 30, 1996, through 2005

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Taxable Value*</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt As Percentage of Taxable Value</u>	<u>Net Bonded Debt Per Capita</u>
1995-96	290,000	\$ 9,647,691,129	\$ 118,320,000	1.23%	\$ 408
1996-97	305,000	10,867,330,499	110,995,000	1.02%	364
1997-98	320,000	12,747,675,057	166,910,000	1.31%	522
1998-99	322,000	13,499,855,886	202,865,000	1.50%	630
1999-00	324,000	14,154,568,103	201,945,000	1.43%	623
2000-01	325,000	15,320,367,845	199,420,000	1.30%	614
2001-02	327,900	16,621,580,433	191,145,000	1.15%	583
2002-03	329,500	17,750,032,731	184,910,000	1.04%	561
2003-04	331,000	18,059,856,595	181,965,000	1.01%	550
2004-05	332,500	19,627,112,797	172,775,000	0.88%	520

* Source: Property Tax Division, Utah State Tax Commission (includes fee-in-lieu and age based property)

JORDAN SCHOOL DISTRICT

Computation of Legal Debt Margin June 30, 2005

The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt margin and additional debt incurring capacity of the District are based on estimated assessed value for 2004, and are calculated as follows:

Estimated 2004 Fair Market Value (1)	\$ 28,892,271,412
Debt Limit (4% of Fair Market Value)	1,155,690,856
Less: General Obligation Debt	(172,775,000)
Plus: Deferred Amounts	<u>1,491,841</u>
Additional Debt Incurring Capacity	<u>\$ 984,407,697</u>

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the District, the fair market value of all tax equivalent property (which value includes the values of motor vehicles, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State) is included as a part of the fair market value of the taxable property in the District.

JORDAN SCHOOL DISTRICT

Computation of Direct, Overlapping, and Principal Underlying General Obligation Debt June 30, 2005

Taxing Entity (1)	2004 Taxable Value (2)	Jordan School District's Portion of Taxable Value	District's Per- centage	Entity's General Obligation Debt	District's Portion of G. O. Debt
Overlapping:					
CUWCD (3)	\$ 73,060,014,989	\$ 17,777,940,441	24.3%	\$ 318,040,950	\$ 77,283,951
Salt Lake County	50,599,363,418	17,777,940,441	35.1%	204,440,000	71,758,440
Total Overlapping General Obligation Debt					<u>149,042,391</u>
Principal Underlying:					
Cottonwood Heights Parks and Recreation					
Service Area	1,386,760,905	1,386,760,905	100.0%	6,035,000	6,035,000
City of Draper	2,043,049,741	2,043,049,741	100.0%	7,000,000	7,000,000
Midvale	1,087,630,889	1,087,630,889	100.0%	4,270,000	4,270,000
Sandy City	4,496,915,584	4,496,915,584	100.0%	4,225,000	4,225,000
Sandy Suburban Improvement District	1,966,094,104	1,966,094,104	100.0%	14,210,000	14,210,000
South Valley Sewer District	6,853,609,525	6,853,609,525	100.0%	860,000	860,000
City of West Jordan	3,253,647,762	3,253,647,762	100.0%	10,455,000	10,455,000
Total Principal Underlying General Obligation Debt					<u>47,055,000</u>
Total Overlapping and Principal Underlying General Obligation Debt					196,097,391
Total Direct General Obligation Debt					<u>172,775,000</u>
Total Direct, Overlapping and Principal Underlying General Obligation Debt					<u>\$ 368,872,391</u>

- (1) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.
- (2) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.
- (3) Central Utah Water Conservancy District's ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. By law, CUWCD may levy a tax rate of up to 0.000400 to pay for operation and maintenance expenses and any outstanding general obligation indebtedness.

JORDAN SCHOOL DISTRICT

Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year) June 30, 2005

		2006	2007	2008	2009	2010	2011	2012
Series 1997	Principal	\$ 4,450,000	\$ 4,670,000	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 65,000,000	Interest	524,400	268,525	-	-	-	-	-
Series 1997A	Principal	8,290,000	11,265,000	2,730,000	2,880,000	3,035,000	-	-
\$ 37,870,000	Interest	1,480,500	1,045,275	453,863	310,538	159,338	-	-
Series 1998	Principal	3,250,000	3,400,000	3,575,000	-	-	-	-
\$ 50,000,000	Interest	511,250	348,750	178,750	-	-	-	-
Series 1999	Principal	890,000	935,000	975,000	1,025,000	-	-	-
\$ 14,500,000	Interest	193,750	149,250	102,500	52,531	-	-	-
Series 2000	Principal	845,000	885,000	925,000	975,000	1,025,000	-	-
\$ 14,500,000	Interest	232,750	190,500	146,250	100,000	51,250	-	-
Series 2001	Principal	570,000	595,000	620,000	645,000	675,000	705,000	735,000
\$ 10,000,000	Interest	327,618	307,668	285,355	260,555	234,755	206,068	176,105
Series 2002	Principal	3,700,000	1,275,000	1,300,000	300,000	5,340,000	6,600,000	6,810,000
\$ 39,540,000	Interest	1,281,750	1,198,500	1,166,625	1,127,625	1,118,625	938,400	707,400
Series 2003	Principal	1,300,000	1,355,000	650,000	665,000	685,000	710,000	740,000
\$ 20,200,000	Interest	310,488	284,488	257,388	242,763	224,475	203,925	182,625
Series 2003A	Principal	1,100,000	1,125,000	1,200,000	1,200,000	1,250,000	1,275,000	1,350,000
\$ 20,000,000	Interest	646,538	619,038	588,100	552,100	513,100	469,350	422,175
Series 2004	Principal	-	-	4,905,000	8,865,000	5,345,000	5,600,000	5,870,000
\$ 30,585,000	Interest	1,351,800	1,351,800	1,351,800	1,155,600	756,675	516,150	264,150
Series 2004A	Principal	800,000	825,000	850,000	875,000	900,000	930,000	960,000
\$ 15,000,000	Interest	494,425	470,425	445,675	420,175	393,925	364,675	334,450
Total		<u>\$32,550,269</u>	<u>\$32,564,219</u>	<u>\$22,706,306</u>	<u>\$21,651,887</u>	<u>\$21,707,143</u>	<u>\$18,518,568</u>	<u>\$18,551,905</u>
Total Principal		\$25,195,000	\$26,330,000	\$17,730,000	\$17,430,000	\$18,255,000	\$15,820,000	\$16,465,000
Total Interest		\$ 7,355,269	\$ 6,234,219	\$ 4,976,306	\$ 4,221,887	\$ 3,452,143	\$ 2,698,568	\$ 2,086,905
Total		<u>\$32,550,269</u>	<u>\$32,564,219</u>	<u>\$22,706,306</u>	<u>\$21,651,887</u>	<u>\$21,707,143</u>	<u>\$18,518,568</u>	<u>\$18,551,905</u>

2013	2014	2015	2016	2017	2018	2019	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,120,000
-	-	-	-	-	-	-	792,925
-	-	-	-	-	-	-	28,200,000
-	-	-	-	-	-	-	3,449,514
-	-	-	-	-	-	-	10,225,000
-	-	-	-	-	-	-	1,038,750
-	-	-	-	-	-	-	3,825,000
-	-	-	-	-	-	-	498,031
-	-	-	-	-	-	-	4,655,000
-	-	-	-	-	-	-	720,750
765,000	800,000	840,000	875,000	-	-	-	7,825,000
144,868	111,973	76,773	39,813	-	-	-	2,171,551
7,075,000	2,550,000	1,250,000	-	-	-	-	36,200,000
435,000	152,000	50,000	-	-	-	-	8,175,925
765,000	800,000	830,000	865,000	900,000	-	-	10,265,000
158,575	131,800	103,800	70,600	36,000	-	-	2,206,927
1,400,000	1,450,000	1,525,000	1,575,000	1,650,000	1,725,000	-	17,825,000
370,875	317,675	262,575	203,100	140,100	72,450	-	5,177,176
-	-	-	-	-	-	-	30,585,000
-	-	-	-	-	-	-	6,747,975
1,000,000	1,035,000	1,075,000	1,120,000	1,170,000	1,225,000	1,285,000	14,050,000
300,850	265,850	229,825	192,000	147,200	100,400	51,400	4,211,075
<u>\$ 12,415,168</u>	<u>\$ 7,614,298</u>	<u>\$ 6,242,773</u>	<u>\$ 4,940,513</u>	<u>\$ 4,043,300</u>	<u>\$ 3,122,850</u>	<u>\$ 1,336,400</u>	<u>\$207,965,599</u>
\$ 11,005,000	\$ 6,635,000	\$ 5,520,000	\$ 4,435,000	\$ 3,720,000	\$ 2,950,000	\$ 1,285,000	\$172,775,000
\$ 1,410,168	\$ 979,298	\$ 722,773	\$ 505,513	\$ 323,300	\$ 172,850	\$ 51,400	\$ 35,190,599
<u>\$ 12,415,168</u>	<u>\$ 7,614,298</u>	<u>\$ 6,242,773</u>	<u>\$ 4,940,513</u>	<u>\$ 4,043,300</u>	<u>\$ 3,122,850</u>	<u>\$ 1,336,400</u>	<u>\$207,965,599</u>

JORDAN SCHOOL DISTRICT**Ratio of Annual Debt Service Expenditures for General Bonded Debt to
Total General Fund Expenditures
For the Years Ended June 30, 1996, through 2005**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Paying Agent's Fees</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1995-96	\$ 6,080,000	\$ 8,156,139	\$ 14,236,139	\$ 223,288,164	6.38%
1996-97	7,325,000	6,952,809	14,277,809	244,755,361	5.83%
1997-98	11,390,000	9,178,097	20,568,097	255,110,425	8.06%
1998-99	14,045,000	11,101,886	25,146,886	273,925,071	9.18%
1999-00	15,420,000	11,238,045	26,658,045	283,627,227	9.40%
2000-01	17,025,000	11,087,787	28,112,787	303,346,657	9.27%
2001-02	18,275,000	10,814,115	29,089,115	317,879,835	9.15%
2002-03	19,890,000	9,212,721	29,102,721	317,613,112	9.16%
2003-04	22,535,000	8,669,443	31,204,443	323,064,159	9.66%
2004-05	24,190,000	8,371,626	32,561,626	346,921,047	9.39%

JORDAN SCHOOL DISTRICT

Schedule of Property Value, Construction, and Bank Deposits For the Years Ended June 30, 1996, through 2005

Fiscal Year	Fair Market Value (1)	Construction (2)	Bank Deposits
1996	\$ 14,115,839,285	\$ 545,699,313	(3)
1997	15,910,116,570	470,709,421	(3)
1998	18,604,819,665	668,231,992	(3)
1999	19,736,090,178	571,986,704	(3)
2000	20,793,726,710	638,885,516	(3)
2001	22,519,582,867	548,818,597	(3)
2002	24,221,802,830	542,874,980	(3)
2003	25,954,244,754	630,501,258	(3)
2004	26,663,108,548	770,712,654	(3)
2005	28,892,271,412	949,292,667	(3)

- (1) Estimated fair market value based on data from Property Tax Division, Utah State Tax Commission, and the Salt Lake County Assessor's Office.
- (2) Based on building permits issued by city planning and zoning departments. Values are estimated construction costs. Source - *Construction Monitor Wasatch Front Report*.
- (3) Utah is a branch banking state and deposit figures are currently available only on a statewide basis.

JORDAN SCHOOL DISTRICT

Demographic Statistics

Profile:

Jordan School District, the largest of Utah's forty school districts, covers approximately 250 square miles in the southern half of Salt Lake County. The District has grown rapidly since the early 1960s.

Schools:

Elementary schools	56
Middle schools	15
High schools	10
Technical school	2
Special schools	3
Totals	<u>86</u>

Student Profile - 2004-2005:

White	91.1%
Hispanic/Latino	5.6%
Asian/Pacific	2.2%
Black	0.6%
Native American/American Indian	0.5%

Average Daily Membership

1905	3,000
1950	7,000
1960	12,000
1970	24,000
1980	49,000
1990	63,465
2000	72,573
2005	75,426

JORDAN SCHOOL DISTRICT

Schedule of Ten of the Largest Taxpayers in Jordan School District

<u>Taxpayer</u>	<u>Business</u>	<u>2004 Taxable Value</u>	<u>Percent of District's Total 2004 Taxable Value (1)</u>
Kennecott Utah Copper	Mining	\$ 346,444,154	1.95 %
PacificCorp	Electric utility	191,082,121	1.07
Qwest Communications	Telephone utility	104,295,816	0.59
South Towne Investors	Retail mall	85,721,800	0.48
Becton Dickinson Vascular Access	Pharmaceutical	74,803,914	0.42
Jordan Commons LLC	Retail mall and office	63,777,377	0.36
Jordan Landing LLC	Retail mall	63,278,045	0.36
Snowbird LTD	Resort	62,547,920	0.35
Questar Gas	Natural gas utility	58,953,235	0.33
Intel Corporation	Manufacturing	58,231,423	0.33
Totals		<u>\$ 1,109,135,805</u>	<u>6.24 %</u>

Source: Salt Lake County Assessor's Office and State Tax Commission

(1) Excludes motor vehicles (fee-in-lieu and age based)

JORDAN SCHOOL DISTRICT

Schedule of Property Tax Rates by Fund (Per \$1 of assessed taxable value) For the Years Ended June 30, 1997, through 2006

Fund and Tax Levy	Maximum Tax Rate	Tax Rates 2005-06	Tax Rates 2004-05	Tax Rates 2003-04	Tax Rates 2002-03	Tax Rates 2001-02	Tax Rates 2000-01	Tax Rates 1999-00	Tax Rates 1998-99	Tax Rates 1997-98	Tax Rates 1996-97
General Fund:											
Basic Program	Formula	0.001720	0.001800	0.001825	0.001807	0.001785	0.001881	0.001840	0.001840	0.001950	0.002046
Voted Leeway	0.001600	0.001200	0.001200	0.001000	0.001000	0.001000	0.001000	0.000992	0.001013	0.000891	0.000955
Board Voted Leeway	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000397	0.000406	0.000374	0.000400
K-3 Reading Program	0.000121	0.000121	0.000121	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Special Transportation	0.000300	0.000160	0.000160	0.000100	0.000100	0.000100	0.000103	0.000103	0.000066	0.000065	0.000069
Tort Liability	0.000100	0.000050	0.000050	0.000040	0.000023	0.000027	0.000086	0.000086	0.000035	0.000037	0.000034
Total General Fund		0.003651	0.003731	0.003365	0.003330	0.003312	0.003470	0.003418	0.003360	0.003317	0.003504
Non K-12 Fund, Recreation											
	None	0.000100	0.000125	0.000105	0.000135	0.000139	0.000144	0.000085	0.000083	0.000082	0.000092
Capital Projects Fund:											
Capital Projects	0.002400	0.002400	0.002400	0.002400	0.002400	0.002400	0.002400	0.001355	0.000679	0.000669	0.000715
10% of Basic - Other	Formula	0.000720	0.001000	0.000712	0.000695	0.000844	0.000943	0.000795	0.000679	0.000783	0.000840
Total Capital Projects Fund		0.003120	0.003400	0.003112	0.003095	0.003244	0.003343	0.002150	0.001358	0.001452	0.001555
Debt Service Fund:											
Debt Service	None	0.001784	0.001600	0.001784	0.001784	0.001729	0.001888	0.001925	0.001760	0.001653	0.001241
Total All Funds		0.008655	0.008856	0.008366	0.008344	0.008424	0.008845	0.007578	0.006561	0.006504	0.006392

Note: The Voted Leeway and the Board Voted Leeway tax rates for 1998-99 were higher than the maximum tax rate of 0.000400 because the State Tax Commission allowed a one-time judgment rate to be levied to cover the cost of a refund to a large taxpayer.

(1) The K-3 Reading Program tax became law in 2004.

JORDAN SCHOOL DISTRICT

Property Tax Revenues by Fund For the Years Ended June 30, 1996, through 2005

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Non K-12 Programs Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total All Funds</u>
1995-96	\$ 39,540,362	\$ 993,252	\$ 13,820,624	\$ 17,285,286	\$ 71,639,524
1996-97	39,696,349	1,041,093	14,057,270	17,611,246	72,405,958
1997-98	43,157,392	1,068,961	21,313,502	18,900,034	84,439,889
1998-99	45,766,673	1,127,279	23,840,546	18,453,238	89,187,736
1999-00	46,910,686	1,166,305	26,352,079	29,120,936	103,550,006
2000-01	52,360,073	2,139,831	28,526,656	49,779,467	132,806,027
2001-02	52,977,690	2,222,458	27,700,670	51,857,820	134,758,638
2002-03	56,872,141	2,308,814	30,437,876	52,970,314	142,589,145
2003-04	60,027,374	1,896,458	31,838,278	55,525,732	149,287,842
2004-5	71,302,163	2,383,273	30,822,561	65,009,276	169,517,273

JORDAN SCHOOL DISTRICT

Nutrition Services Facts and Figures For the Years Ended June 30, 1996, through 2005

	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96
Number of schools participating in:										
Lunch - regular schedule	54	53	52	54	53	53	48	46	46	46
Lunch - year round	30	29	29	27	27	27	28	24	24	24
Breakfast program	35	23	23	22	20	19	18	15	13	13
Student lunches served:										
Free	1,499,266	1,408,478	1,296,373	1,159,886	1,046,467	992,370	946,693	922,553	952,845	984,206
Reduced	628,968	625,713	609,891	583,163	564,082	556,355	569,472	544,444	558,697	539,145
Fully paid	5,554,518	5,400,140	5,346,672	5,440,287	5,404,697	5,519,505	5,433,445	4,961,445	4,828,128	4,418,071
Total	7,682,752	7,434,331	7,252,936	7,183,336	7,015,246	7,068,230	6,949,610	6,428,442	6,339,670	5,941,422
Adult lunches served	168,402	159,643	160,324	169,033	165,654	180,865	180,808	180,170	170,145	244,729
Student breakfasts served:										
Free	310,136	235,791	217,362	187,705	163,984	152,303	139,738	124,416	126,675	135,352
Reduced	47,754	34,959	35,881	26,925	29,070	25,252	25,591	25,288	20,797	20,631
Fully paid	137,635	91,381	74,152	68,085	61,496	59,585	55,481	45,398	48,384	45,855
Total	495,525	362,131	327,395	282,715	254,550	237,140	220,810	195,102	195,856	201,838
Number of serving days:										
Regular schedule	177	177	177	177	177	177	177	177	177	177
Year-round schedule	226	226	226	226	226	226	226	226	226	226
Weighted average	194.50	194.33	194.54	193.33	193.54	193.54	195.05	193.80	193.80	193.80
Average daily participation:										
Student lunch	39,500	38,256	37,282	37,155	36,247	36,521	35,629	33,170	32,712	30,657
Adult lunch	866	822	824	874	856	935	927	930	878	1,263
Student breakfast	2,548	1,863	1,683	1,462	1,315	1,225	1,132	1,007	1,011	1,041
Average daily membership (kindergarten not included)	69,534	68,621	67,905	67,644	67,296	67,476	68,089	67,735	67,513	66,473
Percentage of students eating school lunch	56.81%	55.75%	54.90%	54.93%	53.86%	54.12%	52.33%	48.97%	48.45%	46.12%

JORDAN SCHOOL DISTRICT

**Schedule of Average Daily Membership (ADM), Average Daily Attendance (ADA), and Ratio of ADA to ADM
For the Years Ended June 30, 1996, through 2005**

<u>Fiscal Year</u>	<u>ADM</u>	<u>ADA</u>	<u>Ratio of ADA to ADM</u>
1995-96	71,439	67,997	95.18%
1996-97	72,504	68,576	94.58%
1997-98	72,741	68,584	94.29%
1998-99	72,985	68,748	94.19%
1999-00	72,573	67,566	93.10%
2000-01	72,515	67,420	92.97%
2001-02	72,835	67,889	93.21%
2002-03	73,351	70,105	95.57%
2003-04	74,316	71,222	95.84%
2004-05	75,426	72,340	95.91%

JORDAN SCHOOL DISTRICT

History of High School Graduates For the School Years 1995-96 to 2004-05

<u>Year</u>	<u>Alta</u>	<u>Bingham</u>	<u>Brighton</u>	<u>Copper Hills</u>	<u>Hillcrest</u>	<u>Jordan</u>	<u>Riverton</u>	<u>West Jordan</u>	<u>Valley</u>	<u>Total</u>
1995-96	762	715	650	179	619	382	-	561	181	4,049
1996-97	848	755	730	389	583	540	-	580	190	4,615
1997-98	721	853	750	420	572	681	-	569	176	4,742
1998-99	780	811	725	609	581	738	-	667	215	5,126
1999-00	779	528	771	626	544	692	450	683	257	5,330
2000-01	737	437	686	584	489	606	536	568	285	4,928
2001-02	678	578	704	464	465	610	568	575	267	4,909
2002-03	736	575	627	433	407	609	596	505	294	4,782
2003-04	795	581	695	477	453	578	639	582	287	5,087
2004-05	730	619	613	516	463	606	654	568	340	5,109

JORDAN SCHOOL DISTRICT**Schedule of Insurance in Force
Group Policy for State of Utah School Districts
Term July 1, 2004, Through June 30, 2005**

<u>Description</u>	<u>Company and Policy Numbers</u>	<u>Amount of Coverage</u>
1. Blanket Building and Contents (includes buildings in course of construction, valuable papers, fine art, money and securities, mercantile robbery and safe burglary)	Utah State Risk Management Fund SD05010	\$ 1,000,000
	CRC Insurance Services 2184787	\$ 25,000,000 Per Location
	West Chester 2216101	\$ 25,000,000 Per Location
	U.S. Fire Insurance 2216114	\$ 50,000,000 Per Location
	Royal Insurance 2216133	\$ 100,000,000 Per Location
2. Liability - Comprehensive General and Automobile Liability	Utah State Risk Management Fund SD05010	\$ 10,000,000
3. Bonding	Utah State Risk Management Fund SD05010	\$ 100,000
	Lumbermens Mutual 3F 745 66304	\$ 1,000,000
	Hartford PEB EQ3814	\$ 9,000,000
4. Boiler and Machinery - Direct damage on a repair and replacement basis for broad form perils, blanket all boilers, high temperature water heat exchanges and air tanks.	Utah State Risk Management Fund SD05010	\$ 25,000
	Hartford BMI-93411201	\$ 100,000,000
5. Automobile Physical Damage - All risks including collision and comprehensive	Utah State Risk Management Fund SD05010	Actual Value

JORDAN SCHOOL DISTRICT

Statement of Net Assets Governmental Activities June 30, 2001 through 2005

	2005	2004	2003	2002	(Restated under GASB 34 requirements) 2001
Assets:					
Cash and investments	\$ 196,833,400	\$ 183,369,490	\$ 159,843,918	\$ 118,493,251	\$ 121,683,501
Accounts receivable:					
Property taxes	178,616,221	168,679,585	148,477,182	145,256,990	138,748,236
Other local	81,918	14,068	53,881	425,920	185,943
State of Utah	1,013,303	1,010,895	874,218	17,999,486	783,863
Federal government	6,622,913	5,039,752	6,718,561	9,474,564	4,549,376
Inventories	3,168,876	3,130,886	3,245,975	3,619,511	4,118,860
Bond issuance costs, net of accumulated amortization	1,097,415	1,043,653	802,355	229,237	110,272
Capital assets:					
Sites and construction in progress	99,715,199	67,989,288	58,143,895	37,362,159	33,801,395
Other capital assets, net of accumulated depreciation	529,983,261	509,216,961	489,582,054	486,679,032	470,712,638
Total assets	1,017,132,506	939,494,578	867,742,039	819,540,150	774,694,084
Liabilities:					
Accounts payable	21,701,652	17,079,878	14,175,246	12,179,909	14,837,931
Accrued payroll and related benefits	24,068,458	23,081,348	22,477,769	22,518,414	21,598,536
Accrued interest	302,020	329,339	342,607	409,326	430,867
Deferred revenue:					
Property taxes	173,588,605	163,260,192	140,835,600	138,207,700	132,255,000
Other local	593,551	760,521	264,427	239,807	223,978
State of Utah	15,268,850	13,450,850	11,481,010	9,128,353	10,250,246
Federal government	142,214	1,543,418	2,201,337	1,807,865	1,330,024
Noncurrent liabilities:					
Due within one year	31,261,196	27,963,170	26,332,839	23,808,609	21,385,670
Due in more than one year	149,521,004	161,675,765	165,836,449	177,625,536	185,852,973
Total liabilities	416,447,550	409,144,481	383,947,284	385,925,519	388,165,225
Net Assets:					
Invested in capital assets, net of related debt	458,415,301	397,102,894	365,424,751	332,604,261	304,839,248
Restricted for:					
Nutrition services	4,977,899	4,247,214	4,135,156	3,252,400	2,865,970
Non K-12 programs	3,389,157	2,848,201	2,628,455	1,944,206	1,239,762
Jordan Education Foundation	802,277	674,650	649,648	655,612	589,320
Capital projects	56,302,977	60,552,824	52,939,642	47,759,401	36,574,481
Debt service	2,745,532	4,396,899	3,793,486	1,919,108	2,962,365
Unrestricted	74,051,813	60,527,415	54,223,617	45,479,643	37,457,713
Total net assets	\$ 600,684,956	\$ 530,350,097	\$ 483,794,755	\$ 433,614,631	\$ 386,528,859

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

JORDAN SCHOOL DISTRICT

General Fund Comparative Balance Sheets June 30, 2001, through 2005

	2005	2004	2003	2002	(Restated under GASB 34 requirements) 2001
Assets:					
Cash and investments	\$ 111,919,621	\$ 95,555,455	\$ 84,030,148	\$ 57,253,420	\$ 69,139,309
Accounts receivable:					
Property taxes	73,766,165	71,191,410	60,280,615	56,756,741	53,744,953
Other local	81,918	14,068	53,881	425,920	3,000
State of Utah	372,008	349,860	452,120	16,919,692	410,073
Federal government	5,779,146	4,353,090	5,946,848	8,570,403	3,971,642
Inventories	2,299,303	2,193,904	2,223,500	2,278,494	2,518,224
Total assets	<u>\$ 194,218,161</u>	<u>\$ 173,657,787</u>	<u>\$ 152,987,112</u>	<u>\$ 142,204,670</u>	<u>\$ 129,787,201</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 2,916,334	\$ 2,010,225	\$ 1,637,987	\$ 1,767,893	\$ 2,854,397
Accrued payroll and related benefits	24,068,458	23,081,348	22,477,769	22,518,414	21,598,536
Deferred revenue:					
Property taxes	73,184,754	70,724,644	59,337,553	55,966,552	52,942,428
Other local	297,531	463,992	252,283	211,041	198,212
State of Utah	13,851,646	12,251,995	10,763,652	8,905,103	10,062,920
Federal government	142,214	1,543,418	2,201,337	1,807,865	1,306,716
Total liabilities	<u>114,460,937</u>	<u>110,075,622</u>	<u>96,670,581</u>	<u>91,176,868</u>	<u>88,963,209</u>
Fund balances:					
Reserved for encumbrances	1,177,566	538,485	842,800	1,871,824	567,700
Reserved for inventories	2,299,303	2,193,904	2,223,500	2,278,494	2,518,224
Unreserved:					
Designated for:					
Undistributed reserve	17,350,000	12,000,000	12,000,000	7,000,000	6,000,000
Vocational construction	670,814	816,415	665,092	1,009,311	797,604
Programs	8,142,382	6,306,382	6,693,643	6,101,074	4,632,694
Compensated absences	2,082,980	1,958,933	1,776,253	1,705,113	1,562,085
Retiree benefits	27,000,000	21,000,000	14,000,000	7,407,130	3,028,156
Undesignated	21,034,179	18,768,046	18,115,243	23,654,856	21,717,529
Total fund balances	<u>79,757,224</u>	<u>63,582,165</u>	<u>56,316,531</u>	<u>51,027,802</u>	<u>40,823,992</u>
Total liabilities and fund balances	<u>\$ 194,218,161</u>	<u>\$ 173,657,787</u>	<u>\$ 152,987,112</u>	<u>\$ 142,204,670</u>	<u>\$ 129,787,201</u>

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

JORDAN SCHOOL DISTRICT

General Fund Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances

	Proposed Budget 2005-06	Fiscal Year Ended June 30,				
		2005	2004	2003	2002	2001
Revenues:						
Property taxes	\$ 70,889,000	\$ 71,302,163	\$ 60,027,374	\$ 56,872,141	\$ 52,977,690	\$ 52,360,073
Interest	2,927,000	3,659,243	1,883,750	2,186,664	2,720,829	4,876,372
Other local sources	8,545,919	10,192,665	9,202,913	9,363,926	8,068,943	7,843,198
State of Utah	256,806,644	242,919,490	228,853,574	224,227,070	233,272,726	223,129,772
Federal government	23,333,025	21,048,477	17,668,214	18,123,611	16,010,887	12,313,898
Total Revenues	362,501,588	349,122,038	317,635,825	310,773,412	313,051,075	300,523,313
Expenditures:						
Instruction	261,800,493	233,666,743	214,197,201	215,480,738	221,250,591	211,858,535
Support services:						
Students	11,169,345	10,608,256	10,668,958	10,229,015	10,352,810	9,658,351
Instructional staff	22,905,054	21,832,050	20,608,435	17,627,396	13,738,791	12,413,292
General district administration	2,628,225	2,465,806	2,272,711	1,766,305	1,393,860	1,374,916
School administration	24,369,658	23,634,429	22,757,649	21,806,596	21,697,453	20,540,152
Accounting and purchasing services	3,483,716	3,303,665	3,155,926	2,942,937	2,850,631	2,586,490
Operation and maintenance						
of buildings	40,774,208	34,663,679	33,791,776	32,638,123	32,395,320	31,359,092
Student transportation	11,420,811	10,952,255	10,436,765	9,673,619	9,035,572	8,771,694
Personnel, planning, and data processing	7,417,776	5,629,889	5,013,624	5,289,573	5,004,787	4,628,021
Other support services	171,027	164,275	161,114	158,810	160,020	156,114
Total Expenditures	386,140,313	346,921,047	323,064,159	317,613,112	317,879,835	303,346,657
Excess (deficiency) of revenues over (under) expenditures	(23,638,725)	2,200,991	(5,428,334)	(6,839,700)	(4,828,760)	(2,823,344)
Other financing sources:						
Capital lease	-	-	-	155,787	1,498,119	-
Transfers	14,000,000	13,974,068	12,693,968	11,972,642	13,534,451	14,151,460
Total other financing sources	14,000,000	13,974,068	12,693,968	12,128,429	15,032,570	14,151,460
Net change in fund balance	(9,638,725)	16,175,059	7,265,634	5,288,729	10,203,810	11,328,116
Fund balances - beginning	79,757,224	63,582,165	56,316,531	51,027,802	40,823,992	23,956,093
Fund balances - ending	\$ 70,118,499	\$ 79,757,224	\$ 63,582,165	\$ 56,316,531	\$ 51,027,802	\$ 35,284,209

Note - The difference between the ending fund balance of \$35,284,209 for FYE June 30, 2001 and the beginning fund balance of \$40,823,992 for FYE June 30, 2002 is \$5,539,783. This difference is the result of a restatement of FYE June 30, 2001 for GASB Statement No. 34, which reclassified originally recorded liabilities (accrued vacation payable - \$1,562,085 and accrued sick leave and early retirement payables - \$3,028,156) as designations of fund balance, and the redefining of the Vocational Construction Fund as part of the General Fund - \$949,542.

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

JORDAN SCHOOL DISTRICT

Historical Summaries of Taxable Values of Property For the Years Ended December 31, 2000, through 2004

	2004		2003	2002	2001	2000
	Taxable Value	% of T.V.	Taxable Value	Taxable Value	Taxable Value	Taxable Value
<i>Set by State Tax Commission- Centrally Assessed</i>	<u>\$ 856,492,904</u>	<u>4.4</u>	<u>\$ 768,982,506</u>	<u>\$ 776,449,854</u>	<u>\$ 897,947,085</u>	<u>\$ 920,085,217</u>
<i>Set by County Assessor- Locally Assessed:</i>						
Real Property:						
Residential real estate-primary use	11,308,211,513	57.6	10,496,317,285	10,008,239,617	9,269,362,474	8,776,556,749
Residential real estate-not primary use	1,061,077,490	5.4	977,271,740	924,645,590	868,036,030	778,759,440
Commercial and industrial real estate	3,696,854,960	18.8	3,504,567,790	3,348,598,180	3,132,880,030	2,657,926,090
Agricultural - FAA	41,613,500	0.2	43,341,650	44,500,830	55,625,030	50,460,090
Unimproved non FAA	526,750	0.0	1,543,550	1,328,050	1,453,620	2,018,450
Total Real Property	<u>16,108,284,213</u>	<u>82.0</u>	<u>15,023,042,015</u>	<u>14,327,312,267</u>	<u>13,327,357,184</u>	<u>12,265,720,819</u>
Personal Property:						
Fee in lieu property	1,849,172,356	9.4	1,439,429,682	1,771,167,860	1,623,626,592	1,444,928,643
Mobile homes-primary residential use	15,871,239	0.1	18,768,435	19,130,633	19,798,233	22,483,833
Mobile homes-other use	1,342,312	0.0	1,484,087	1,234,673	1,579,621	1,332,593
Commercial and industrial property	795,949,773	4.1	808,149,870	854,737,444	751,271,718	665,816,740
Total Personal Property	<u>2,662,335,680</u>	<u>13.6</u>	<u>2,267,832,074</u>	<u>2,646,270,610</u>	<u>2,396,276,164</u>	<u>2,134,561,809</u>
Total Locally Assessed	<u>18,770,619,893</u>	<u>95.6</u>	<u>17,290,874,089</u>	<u>16,973,582,877</u>	<u>15,723,633,348</u>	<u>14,400,282,628</u>
Total Taxable Property	<u>\$ 19,627,112,797</u>	<u>100.0</u>	<u>\$ 18,059,856,595</u>	<u>\$ 17,750,032,731</u>	<u>\$ 16,621,580,433</u>	<u>\$ 15,320,367,845</u>

Source: Property Tax Division, Utah State Tax Commission.

JORDAN SCHOOL DISTRICT
SINGLE AUDIT AND STATE OF UTAH
LEGAL COMPLIANCE REPORTS

Year Ended June 30, 2005

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JORDAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title	CFDA Number	USOE Revenue Code	District's Program Number	(Deferral) Receivable June 30, 2004	Received	Expended	(Deferral) Receivable June 30, 2005
U.S. DEPARTMENT OF AGRICULTURE:							
Passed Through Utah State Office of Education (USOE):							
Food Donation (Commodities)	10.550		8001	\$ -	\$ 1,377,274	\$ 1,377,274	\$ -
School Breakfast Program	10.553	44	8001	10,938	492,153	503,642	22,427
National School Lunch Program	10.555	42	8001	67,270	1,590,218	1,613,378	90,430
National School Lunch Program	10.555	43	8001	145,103	4,001,536	4,068,726	212,293
Child and Adult Care Food Program	10.558	47	8001	-	5,762	5,929	167
Summer Food Service Program for Children	10.559	48	8001	127	197,311	244,495	47,311
				223,438	7,664,254	7,813,444	372,628
U.S. ENVIRONMENTAL PROTECTION AGENCY:							
Passed Through Utah Clean Cities:							
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034		9932	-	350,000	350,000	-
U.S. DEPARTMENT OF EDUCATION:							
Direct:							
Indian Education - Grants to Local Educational Agencies	84.060		7322	21,195	87,272	91,495	25,418
Teaching American History Grant Program	84.215		7320	19,415	282,954	282,131	18,592
Tech-Prep Education	84.243		6950	57,089	132,151	93,879	18,817
Funds for the Improvement of Education (FIE)	84.215		7103/7500	-	397,682	392,786	(4,896)
Twenty-First Century Community Learning Centers	84.287		7391	86,029	95,397	9,368	-
Passed Through Utah State Office of Education:							
Adult Education - State Grant Program	84.002	33	7580/7582	79,542	167,093	206,790	119,239
Title I Grants to Local Educational Agencies	84.010	10	7506/7511	727,077	2,105,968	2,238,576	859,685
Migrant Education - State Grant Program	84.011	11/15	7548	15,861	110,129	110,621	16,353
Title I Program for Neglected and Delinquent Children	84.013	13	7516/7517	50,357	75,838	74,513	49,032
Special Education - Grants to States	84.027	19	7551	2,535,298	11,006,411	11,763,197	3,292,084
Vocational Education - Basic Grants to States	84.048	21	6900	212,017	609,590	709,130	311,557
Special Education - Preschool Grants	84.173	52	7550	51,650	424,264	451,769	79,155
Safe and Drug-Free Schools and Communities - State Grants	84.186	09	7311	32,027	183,485	320,666	169,208
Education for Homeless Children and Youth	84.196	28	5218	-	30,000	30,000	-
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	78	5112/7508	(13,368)	-	-	(13,368)
Eisenhower Professional Development State Grants	84.281	16	7650	(27,886)	-	12,554	(15,332)
Charter Schools	84.282	54	n/a	-	160,587	310,587	150,000
Twenty-First Century Community Learning Centers	84.287	60	7910	-	34,155	66,363	32,208
State Grants for Innovative Programs	84.298	91	7655/7792	142,156	468,755	391,189	64,590
Education Technology State Grants	84.318	07	7870	90,086	90,086	75,485	75,485
Comprehensive School Reform Demonstration	84.332	27	7518	514	880	366	-
Teacher Quality Enhancement Grants	84.336	30	7635/7862	2,479	18,423	44,919	28,975
Arts in Education	84.351	45	7530	-	2,250	2,250	-
English Language Acquisition Grants	84.365	73	7628	65,147	279,721	345,444	130,870
Improving Teacher Quality State Grants	84.367	74	7860	299,550	1,208,831	1,424,500	515,219
Passed Through Provo School District:							
Special Education - State Program Improvement Grants for Children with Disabilities	84.323		7520	-	41,636	11,121	(30,515)
Passed Through the Utah State Department of Health:							
Special Education - Grants for Infants and Families with Disabilities	84.181		7760	293,533	1,348,653	1,294,963	239,843
				4,739,768	19,362,211	20,754,662	6,132,219
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:							
Passed Through the Utah State Department of Health:							
Refugee and Entrant Assistance - Discretionary Grants	93.576		7630	22,543	22,543	18,971	18,971
Developmental Disabilities Basic Support and Advocacy Grants	93.630		7755	12,746	71,014	71,379	13,111
Medical Assistance Program	93.778		7590/7700	(1,427,243)	646,115	2,058,104	(15,254)
Passed Through Salt Lake County:							
Consolidated Knowledge Development and Application Program	93.230		7725	(74,919)	200,000	224,500	(50,419)
				(1,466,873)	939,672	2,372,954	(33,591)
COMMISSION FOR NATIONAL AND COMMUNITY SERVICE:							
Passed Through Utah State Office of Education:							
Learn and Serve America - School and Community Based Programs	94.004	53	7603/7750	-	4,947	14,393	9,446
Total federal awards				\$ 3,496,333	\$ 28,321,084	\$ 31,305,453	\$ 6,480,702

The accompanying notes are an integral part of this schedule.

JORDAN SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Jordan School District (District). The District reporting entity is defined in Note 1 to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for awards received by governmental funds as described in Note 1 to the District's financial statements.

Most of the federal awards are expenditure-driven grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; grants received in advance are recorded as deferred revenue until earned. Donated food commodities are recorded at fair value in the Nutrition Services Fund as an inventory asset and federal revenue when received. Donated food commodity inventories are recorded as expenditures when they are transferred to schools for consumption.

Note 3. Relationship to District's Financial Statements

Federal awards expended on the schedule of expenditures of federal awards for the year ended June 30, 2005 are reported in the District's financial statements as federal government revenues as follows:

General Fund	\$ 21,048,477
Capital Projects Fund	350,000
Nutrition Services Fund (Special Revenue Fund)	7,813,444
Non K-12 Programs Fund (Special Revenue Fund)	<u>2,093,532</u>
	<u>\$ 31,305,453</u>



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards**

Board of Education
Jordan School District

We have audited the financial statements of Jordan School District as of and for the year ended June 30, 2005 and have issued our report thereon dated September 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jordan School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Jordan School District in a separate letter dated September 14, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jordan School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Squire & Company, PC

September 14, 2005



**Independent Auditor's Report on Compliance with
Requirements Applicable to Each Major Program and on Internal
Control over Compliance in Accordance with OMB Circular A-133**

Board of Education
Jordan School District

Compliance

We have audited the compliance of Jordan School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Jordan School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jordan School District's management. Our responsibility is to express an opinion on Jordan School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jordan School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jordan School District's compliance with those requirements.

In our opinion, Jordan School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Jordan School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jordan School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major

federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jordan School District as of and for the year ended June 30, 2005, and have issued our report thereon dated September 14, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Jordan School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Aguirre & Company, PC

September 14, 2005

JORDAN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2005

No matters were reported in the prior year.

JORDAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2005

I. Summary of auditor's results:

Financial Statements:

Type of auditor's report issued: unqualified

Internal control over financial reporting:

-Material weakness(es) identified? yes X no

-Reportable condition(s) identified that are not considered to be material weaknesses?
 yes X none reported

Noncompliance material to financial statements noted?
 yes X no

Federal Awards:

Internal control over major programs:

-Material weakness(es) identified? yes X no

-Reportable condition(s) identified that are not considered to be material weakness(es)?
 yes X none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Special Education Cluster:
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 939,164

Auditee qualified as low-risk auditee? X yes no

II. Financial statement findings:
No matters were reported.

III. Federal award findings and questioned costs:
No matters were reported.



**Independent Auditor's Report on Legal Compliance in
Accordance with the *Utah State Legal Compliance Audit Guide***

Board of Education
Jordan School District

We have audited the financial statements of Jordan School District as of and for the year ended June 30, 2005 and have issued our report thereon dated September 14, 2005. As part of our audit, we have audited the District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; and special tests and provisions applicable to each of its major state assistance programs as required by the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2005. The District received the following major state assistance programs from the State of Utah (each passed through the State Office of Education):

Minimum School Program
School Building Program

Driver Education
Correctional Institution Education Programs

The District also received nonmajor state grants, which are not required to be audited for specific compliance requirements; however, these grants were subject to test work as part of the audit of the District's financial statements.

Our audit also included test work on the District's compliance with those general compliance requirements identified in the *State of Utah Legal Compliance Audit Guide* including:

Public Debt
Purchasing Requirements
Truth in Taxation and Property Tax Limitations

Cash Management
Budgetary Compliance
Other General Compliance Issues

The management of the District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Jordan School District complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2005.

Agui & Company, PC

September 14, 2005



Letter to Management

September 14, 2005

Board of Education
Jordan School District

In planning and performing our audit of the financial statements of Jordan School District for the year ended June 30, 2005, we noted certain matters for your consideration. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 14, 2005, on the financial statements of the District. Also, reportable conditions and material internal control weaknesses, if any, are included in our reports dated September 14, 2005, in accordance with *Government Auditing Standards* and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Prior year comments

The District has addressed comments made in the prior year.

Current year comments

Individual school accounting – We visited approximately one-third of the schools throughout the District this year. We focused on the areas of financial accounting, equipment management, and membership accounting during our visits. Certain minor exceptions with established guidelines and procedures were noted. We discussed these exceptions with school personnel at the completion of each visit. We have also reported our findings to management. We encourage continued training of principals and secretaries involved with individual school accounting. We recommend subsequent review of the exceptions noted.

Views of Responsible Officials – The District will continue to provide financial training and support to school principals and secretaries. All exceptions to established District guidelines and procedures will be reviewed with the school principals by District administration.

New standard – Government Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*, is effective for periods beginning after June 15, 2005. This new standard amends prior guidance on the preparation of statistical information that is included with financial statements. We encourage the District to review the new standard and gather information the District intends to present within the statistical section of future financial reports.

Views of Responsible Officials – The District is aware of the new statistical information that needs to be included in the 2005-2006 Comprehensive Annual Financial Report. We have reviewed the new standard and have gathered the required information that needs to be included in future reports.

Payment approvals – We noted certain disbursements that were approved for payment before the receipt of related goods or services. Part of the District's procedure for approving an invoice for payment is to ensure that goods or services are received as expected. We encourage the District to review the approval process and verify that approval for disbursements are obtained for goods or services received.

Views of Responsible Officials – The applicable expenses were corrected before publication of financial reports. It is District procedure for invoice payments to be made only after goods or services are received. This approval process has been and will be reviewed and stressed with all administrators and their secretaries.

Compensation in excess of contract rate – We noted the policy and procedures are unclear for compensation of aids when a teacher or substitute is not present. We encourage the District to review its current practices and ensure that compensation satisfies the criteria of consistency and reasonableness and that authorized rates are clearly documented.

Views of Responsible Officials – The District will review its current compensation practices and guidelines to ensure that the criteria of consistency and reasonableness are applied.

We will review the status of these comments during our next audit engagement. We have already discussed in detail these comments and suggestions with management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing recommendations. We appreciated being able to work with District personnel in our audit. We note those we worked with in the audit and reporting process were very responsive and helpful. We also noted management's ability and sensitivity to display and communicate an appropriate attitude regarding internal control and the financial reporting process.

Squire & Company, PC

Squire & Company, PC

JORDAN SCHOOL DISTRICT
SINGLE AUDIT AND STATE OF UTAH
LEGAL COMPLIANCE REPORTS

Year Ended June 30, 2005

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JORDAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title	CFDA Number	USOE Revenue Code	District's Program Number	(Deferral) Receivable June 30, 2004	Received	Expended	(Deferral) Receivable June 30, 2005
U.S. DEPARTMENT OF AGRICULTURE:							
Passed Through Utah State Office of Education (USOE):							
Food Donation (Commodities)	10.550		8001	\$ -	\$ 1,377,274	\$ 1,377,274	\$ -
School Breakfast Program	10.553	44	8001	10,938	492,153	503,642	22,427
National School Lunch Program	10.555	42	8001	67,270	1,590,218	1,613,378	90,430
National School Lunch Program	10.555	43	8001	145,103	4,001,536	4,068,726	212,293
Child and Adult Care Food Program	10.558	47	8001	-	5,762	5,929	167
Summer Food Service Program for Children	10.559	48	8001	127	197,311	244,495	47,311
				223,438	7,664,254	7,813,444	372,628
U.S. ENVIRONMENTAL PROTECTION AGENCY:							
Passed Through Utah Clean Cities:							
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034		9932	-	350,000	350,000	-
U.S. DEPARTMENT OF EDUCATION:							
Direct:							
Indian Education - Grants to Local Educational Agencies	84.060		7322	21,195	87,272	91,495	25,418
Teaching American History Grant Program	84.215		7320	19,415	282,954	282,131	18,592
Tech-Prep Education	84.243		6950	57,089	132,151	93,879	18,817
Funds for the Improvement of Education (FIE)	84.215		7103/7500	-	397,682	392,786	(4,896)
Twenty-First Century Community Learning Centers	84.287		7391	86,029	95,397	9,368	-
Passed Through Utah State Office of Education:							
Adult Education - State Grant Program	84.002	33	7580/7582	79,542	167,093	206,790	119,239
Title I Grants to Local Educational Agencies	84.010	10	7506/7511	727,077	2,105,968	2,238,576	859,685
Migrant Education - State Grant Program	84.011	11/15	7548	15,861	110,129	110,621	16,353
Title I Program for Neglected and Delinquent Children	84.013	13	7516/7517	50,357	75,838	74,513	49,032
Special Education - Grants to States	84.027	19	7551	2,535,298	11,006,411	11,763,197	3,292,084
Vocational Education - Basic Grants to States	84.048	21	6900	212,017	609,590	709,130	311,557
Special Education - Preschool Grants	84.173	52	7550	51,650	424,264	451,769	79,155
Safe and Drug-Free Schools and Communities - State Grants	84.186	09	7311	32,027	183,485	320,666	169,208
Education for Homeless Children and Youth	84.196	28	5218	-	30,000	30,000	-
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	78	5112/7508	(13,368)	-	-	(13,368)
Eisenhower Professional Development State Grants	84.281	16	7650	(27,886)	-	12,554	(15,332)
Charter Schools	84.282	54	n/a	-	160,587	310,587	150,000
Twenty-First Century Community Learning Centers	84.287	60	7910	-	34,155	66,363	32,208
State Grants for Innovative Programs	84.298	91	7655/7792	142,156	468,755	391,189	64,590
Education Technology State Grants	84.318	07	7870	90,086	90,086	75,485	75,485
Comprehensive School Reform Demonstration	84.332	27	7518	514	880	366	-
Teacher Quality Enhancement Grants	84.336	30	7635/7862	2,479	18,423	44,919	28,975
Arts in Education	84.351	45	7530	-	2,250	2,250	-
English Language Acquisition Grants	84.365	73	7628	65,147	279,721	345,444	130,870
Improving Teacher Quality State Grants	84.367	74	7860	299,550	1,208,831	1,424,500	515,219
Passed Through Provo School District:							
Special Education - State Program Improvement Grants for Children with Disabilities	84.323		7520	-	41,636	11,121	(30,515)
Passed Through the Utah State Department of Health:							
Special Education - Grants for Infants and Families with Disabilities	84.181		7760	293,533	1,348,653	1,294,963	239,843
				4,739,768	19,362,211	20,754,662	6,132,219
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:							
Passed Through the Utah State Department of Health:							
Refugee and Entrant Assistance - Discretionary Grants	93.576		7630	22,543	22,543	18,971	18,971
Developmental Disabilities Basic Support and Advocacy Grants	93.630		7755	12,746	71,014	71,379	13,111
Medical Assistance Program	93.778		7590/7700	(1,427,243)	646,115	2,058,104	(15,254)
Passed Through Salt Lake County:							
Consolidated Knowledge Development and Application Program	93.230		7725	(74,919)	200,000	224,500	(50,419)
				(1,466,873)	939,672	2,372,954	(33,591)
COMMISSION FOR NATIONAL AND COMMUNITY SERVICE:							
Passed Through Utah State Office of Education:							
Learn and Serve America - School and Community Based Programs	94.004	53	7603/7750	-	4,947	14,393	9,446
Total federal awards				\$ 3,496,333	\$ 28,321,084	\$ 31,305,453	\$ 6,480,702

The accompanying notes are an integral part of this schedule.

JORDAN SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Jordan School District (District). The District reporting entity is defined in Note 1 to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for awards received by governmental funds as described in Note 1 to the District's financial statements.

Most of the federal awards are expenditure-driven grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; grants received in advance are recorded as deferred revenue until earned. Donated food commodities are recorded at fair value in the Nutrition Services Fund as an inventory asset and federal revenue when received. Donated food commodity inventories are recorded as expenditures when they are transferred to schools for consumption.

Note 3. Relationship to District's Financial Statements

Federal awards expended on the schedule of expenditures of federal awards for the year ended June 30, 2005 are reported in the District's financial statements as federal government revenues as follows:

General Fund	\$ 21,048,477
Capital Projects Fund	350,000
Nutrition Services Fund (Special Revenue Fund)	7,813,444
Non K-12 Programs Fund (Special Revenue Fund)	<u>2,093,532</u>
	<u>\$ 31,305,453</u>



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

Board of Education
Jordan School District

We have audited the financial statements of Jordan School District as of and for the year ended June 30, 2005 and have issued our report thereon dated September 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jordan School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Jordan School District in a separate letter dated September 14, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jordan School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Squire & Company, PC

September 14, 2005



**Independent Auditor's Report on Compliance with
Requirements Applicable to Each Major Program and on Internal
Control over Compliance in Accordance with OMB Circular A-133**

Board of Education
Jordan School District

Compliance

We have audited the compliance of Jordan School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Jordan School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jordan School District's management. Our responsibility is to express an opinion on Jordan School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jordan School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jordan School District's compliance with those requirements.

In our opinion, Jordan School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Jordan School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jordan School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major

federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jordan School District as of and for the year ended June 30, 2005, and have issued our report thereon dated September 14, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Jordan School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Agui & Company, PC

September 14, 2005

JORDAN SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2005

No matters were reported in the prior year.

JORDAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2005

I. Summary of auditor's results:

Financial Statements:

Type of auditor's report issued: unqualified

Internal control over financial reporting:

-Material weakness(es) identified? yes X no

-Reportable condition(s) identified that are not considered to be material weaknesses?
 yes X none reported

Noncompliance material to financial statements noted?
 yes X no

Federal Awards:

Internal control over major programs:

-Material weakness(es) identified? yes X no

-Reportable condition(s) identified that are not considered to be material weakness(es)?
 yes X none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Special Education Cluster:
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 939,164

Auditee qualified as low-risk auditee? X yes no

II. Financial statement findings:

No matters were reported.

III. Federal award findings and questioned costs:

No matters were reported.



Independent Auditor's Report on Legal Compliance in
Accordance with the *Utah State Legal Compliance Audit Guide*

Board of Education
Jordan School District

We have audited the financial statements of Jordan School District as of and for the year ended June 30, 2005 and have issued our report thereon dated September 14, 2005. As part of our audit, we have audited the District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; and special tests and provisions applicable to each of its major state assistance programs as required by the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2005. The District received the following major state assistance programs from the State of Utah (each passed through the State Office of Education):

Minimum School Program
School Building Program

Driver Education
Correctional Institution Education Programs

The District also received nonmajor state grants, which are not required to be audited for specific compliance requirements; however, these grants were subject to test work as part of the audit of the District's financial statements.

Our audit also included test work on the District's compliance with those general compliance requirements identified in the *State of Utah Legal Compliance Audit Guide* including:

Public Debt
Purchasing Requirements
Truth in Taxation and Property Tax Limitations

Cash Management
Budgetary Compliance
Other General Compliance Issues

The management of the District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Jordan School District complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2005.

Agui & Company, PC

September 14, 2005



Letter to Management

September 14, 2005

Board of Education
Jordan School District

In planning and performing our audit of the financial statements of Jordan School District for the year ended June 30, 2005, we noted certain matters for your consideration. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 14, 2005, on the financial statements of the District. Also, reportable conditions and material internal control weaknesses, if any, are included in our reports dated September 14, 2005, in accordance with *Government Auditing Standards* and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Prior year comments

The District has addressed comments made in the prior year.

Current year comments

Individual school accounting – We visited approximately one-third of the schools throughout the District this year. We focused on the areas of financial accounting, equipment management, and membership accounting during our visits. Certain minor exceptions with established guidelines and procedures were noted. We discussed these exceptions with school personnel at the completion of each visit. We have also reported our findings to management. We encourage continued training of principals and secretaries involved with individual school accounting. We recommend subsequent review of the exceptions noted.

Views of Responsible Officials – The District will continue to provide financial training and support to school principals and secretaries. All exceptions to established District guidelines and procedures will be reviewed with the school principals by District administration.

New standard – Government Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*, is effective for periods beginning after June 15, 2005. This new standard amends prior guidance on the preparation of statistical information that is included with financial statements. We encourage the District to review the new standard and gather information the District intends to present within the statistical section of future financial reports.

Views of Responsible Officials – The District is aware of the new statistical information that needs to be included in the 2005-2006 Comprehensive Annual Financial Report. We have reviewed the new standard and have gathered the required information that needs to be included in future reports.

Payment approvals – We noted certain disbursements that were approved for payment before the receipt of related goods or services. Part of the District's procedure for approving an invoice for payment is to ensure that goods or services are received as expected. We encourage the District to review the approval process and verify that approval for disbursements are obtained for goods or services received.

Views of Responsible Officials – The applicable expenses were corrected before publication of financial reports. It is District procedure for invoice payments to be made only after goods or services are received. This approval process has been and will be reviewed and stressed with all administrators and their secretaries.

Compensation in excess of contract rate – We noted the policy and procedures are unclear for compensation of aids when a teacher or substitute is not present. We encourage the District to review its current practices and ensure that compensation satisfies the criteria of consistency and reasonableness and that authorized rates are clearly documented.

Views of Responsible Officials – The District will review its current compensation practices and guidelines to ensure that the criteria of consistency and reasonableness are applied.

We will review the status of these comments during our next audit engagement. We have already discussed in detail these comments and suggestions with management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing recommendations. We appreciated being able to work with District personnel in our audit. We note those we worked with in the audit and reporting process were very responsive and helpful. We also noted management's ability and sensitivity to display and communicate an appropriate attitude regarding internal control and the financial reporting process.

Squire & Company, PC

Squire & Company, PC